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Council Meeting

March 2, 2016

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NOTICE OF PUBLIC MEETING

TO THE PUBLIC AND RESIDENTS OF VERNAL CITY: Notice is hereby given that the **VERNAL CITY COUNCIL** will hold a regular meeting on **Wednesday, March 2, 2016 at 7:00 p.m.** in the Vernal City Council Chambers at 374 East Main St, Vernal, Utah.

A G E N D A

7:00 p.m.

OPENING CEREMONY

1. Welcome
2. Invocation or Uplifting Thought
3. Pledge of Allegiance

STANDING BUSINESS

1. Approval of Minutes of February 17, 2016 Regular Meeting

PUBLIC BUSINESS

1. Request for Donation for Uintah High School Graduation Night – Cam Pope

POLICY & LEGISLATION

1. Request for Approval of Lease Agreements at Vernal Regional Airport – Kelly Harvey:
 - a. Dinaland Aviation
 - b. Blue Sky Inc.
2. Request for Approval of Civil Legal Services – Ken Bassett
3. Request for Approval of Indigent Defense Services – Ken Bassett
4. Request for Approval of Prosecutor Legal Services – Ken Bassett
5. Request for Approval of CIB Grant – Ken Bassett
6. Request for Approval of Engineering Agreement for Sewer Cleaning Project – Ken Bassett

ADMINISTRATIVE REPORTS

- | | |
|------------------------------------|------------------------|
| 1. Planning & Zoning | 4. UBNSF |
| 2. Public Works | 5. Animal Services SSD |
| 3. Uintah Basin Assistance Council | 6. Fire SSD |

ADJOURN

NOTE: In compliance with the Americans with Disabilities Act, individuals needing special accommodations during this meeting should notify Ken Bassett at 374 East Main, Vernal, Utah 84078 or phone (435) 789-2255 at least three days before the meeting.

MEMORANDUM

TO: Mayor & City Council

FROM: Ken Bassett, City Manager

RE: *Agenda Items of March 2, 2016 Council Meeting.*

PUBLIC BUSINESS:

Request for Donation for Uintah High School Graduation Night – Cam Pope: Mr. Pope will be at the Council meeting to give an update on the High School graduation night activities. In years past, the City has assisted in the sponsoring of this activity. We have budgeted, in the past, \$2500. With the continuation of the 75% of the sponsored activities being considered, the amount for this activity would be \$1875 for graduation night.

POLICY & LEGISLATION

- 1. Request for Approval of Lease Agreements at Vernal Regional Airport – Kelly Harvey:**
 - a. Dinaland Aviation**
 - b. Blue Sky Inc.**

These two lease agreements are being approved by both the County and the City because they actually became effective prior to the Uintah Transportation District assuming responsibility for the airport. I have yet to see these agreements, however, I would ask that you look at them and consider the request from Mr. Harvey for their approval.

- 2. Request for Approval of Civil Legal Services – Ken Bassett**
- 3. Request for Approval of Indigent Defense Services – Ken Bassett**
- 4. Request for Approval of Prosecutor Legal Services – Ken Bassett**

We discovered that for this current fiscal year the contracts for these services were not executed in July of last year so we are asking that the Council consider them. Regarding the prosecutor legal services with Mr. Harrington, I would refer you to the e-mail from Mr. Harrington indicating the caseload for Mr. Harrington has decreased so he is recommending that his agreement also be decreased. I am suggesting that be effective January of 2016. At the Council meeting, I will discuss that further with the Council.

- 5. Request for Approval of CIB Grant – Ken Bassett:** In your packets, you have a copy of the agreement with the Community Impact Board for the grant portion of the funding, which they approved for the sewer-lining project and the radio read water meter project. The City was successful in receiving a \$933,376 grant for these projects. This document is the agreement for the grant portion. The loan portion will be taken care of through bonding documents at a later time through the Community Impact Board. I would appreciate your approval this agreement with the CIB Board.

6. **Request for Approval of Engineering Agreement for Sewer Cleaning Project – Ken Bassett:** Included in your binder is a proposal from CRS Engineers in the amount of \$8000. This would provide the bidding document and inspection services required for this \$70,000 sewer-cleaning project, which we have done on an annual basis. It is our recommendation that it be approved by the City Council.

**MINUTES OF THE VERNAL CITY COUNCIL REGULAR MEETING HELD
FEBRUARY 17, 2016 at 7:00 p.m. in the Vernal City Council room, 374 East Main,
Vernal, Utah 84078.**

PRESENT: Councilmembers Bert Clark, Dave Everett, Ted Munford, Samantha Scott and Travis Allan. Mayor Sonja Norton was excused.

WELCOME: Councilmember Dave Everett welcomed everyone to the meeting.

SELECTION OF MAYOR PRO TEMPORE: Councilmember Dave Everett moved to appoint Bert Clark as the Mayor Pro Tempore for this meeting. Councilmember Samantha Scott seconded the motion. Motion passed with Councilmembers Everett, Scott, Munford, Allan and Clark voting in favor.

INVOCATION OR UPLIFTING THOUGHT: An invocation was given by Councilmember Dave Everett.

PLEDGE OF ALLEGIANCE: The pledge of Allegiance was led by Councilmember Samantha Scott.

APPROVAL OF MINUTES OF FEBRUARY 3, 2016 REGULAR MEETING:
Councilmember Dave Everett moved to approve the minutes of February 3, 2016. Councilmember Travis Allan seconded the motion. The motion passed with Councilmembers Munford, Cowan, Everett, Scott, and Clark voting in favor for a unanimous vote.

DINOSAUR ROUNDUP RODEO: Mr. Mike Karren, president, of the Dinosaur Roundup Rodeo, explained what it takes to put on a rodeo including good cowboys, livestock, clowns, and announcers. Some of the costs are \$1300 PRCA fee, \$2265 for judges, \$75,000 purse cost, \$21,000 to rent the Western Park, \$7000 for the announcer, and \$74,700 for the stock. There are additional costs for insurance, advertising, tickets, brochures, security etc. Last year the rodeo had 523 contestants from 25 states. The special rodeo had 80 participants, and the mutton bustin' draws in 30 local children. Mr. Karren explained that many of the people hired to put on the rodeo stay for the entire week, bringing their families to enjoy the area. The rodeo relies on over 200 volunteers to put on a good show. This year the Chamber of Commerce is getting involved promoting rodeo pride week with window painting downtown, four foot dinosaurs that will be placed in front of businesses, and cowboy / cowgirl apparel. He asked the Council for approval for the dinosaurs. Mayor Pro Tempore Clark asked how much money the Dinosaur Roundup Rodeo is asking from the City. Mr. Karren explained that they are rethinking some of the events as they have lost a lot of their large sponsors. He asked the Council to consider the same sponsorship as last year. Councilmember Munford stated that he would like to see a financial statement from the events that are sponsored by the City and asked if the rodeo is non-profit. Mr. Karren stated that they are non-profit and he will submit a profit / loss statement. Ted Munford noted that this is a wonderful event, however, the City's revenues are down so the same sponsorship amount would be tough. Mr. Karren stated that they have lost donations and that is a reality they will have to face. *Councilmember Dave Everett stated the Council has a responsibility toward the citizens to watch the finances and cut spending when needed. He to cut the sponsorship for the rodeo by 25% which is \$22,500 and \$1500 for the special rodeo r,*

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48 rodeo and allow the dinosaurs to be placed on Main Street. Councilmember Munford asked
49 what the City's participation is for the dinosaurs. Mike Karren stated simply to allow them to be
50 placed on the sidewalk. Councilmember Samantha Scott seconded the motion. The motion
51 passed with Councilmembers Everett, Scott, Munford, Allan and Clark voting in favor.
52

53 **ALIVE AFTER FIVE REQUEST FOR FUNDING- JOE EVANS:** Mindy Atwood explained
54 that the Alive after Five event was a great success last year and is scheduled for July 28th, August
55 4, 11 and 18th. This event is a local concert for local singers. Mayor Pro Tempore Bert Clark
56 asked where the event will be held this year. Mindy Atwood answered at the Western Park. Joe
57 Evans presented a financial statement to the Council. He noted that this started 15 years ago with
58 the Downtown Merchants Association. The event grew too large for downtown and had to be
59 moved to the Western Park at a cost of \$1200 for that venue. One of the first winners was
60 Charlie Jenkins, so this program gives local singers a good start. He noted that they can make
61 this even happen with less money, but need support. Councilmember Ted Munford declared he
62 had a conflict of interest with this item as he has business dealings with Mr. Evans.
63 Councilmember Dave Everett moved to sponsor this event in the amount of \$2600 which is 25%
64 less than last year. Councilmember Travis Allan seconded the motion. The motion passed with
65 the following roll call vote:

66 Councilmember Munford..... abstained;
67 Councilmember Allan aye;
68 Councilmember Everett..... aye;
69 Councilmember Scott..... aye;
70 Councilmember Clark..... aye.
71

72 **STORY TELLING FESTIVAL - VERNIE HEENEY:** Vernie Heeney gave a brief overview
73 of this event, explaining that they bring in world renowned storytellers for performances at the
74 schools as well as for the public. On Friday a symposium will be held for students and teachers
75 to learn how to be tellers. One of the performers this year is local, Mr. Sam Payne, which helps
76 keep the costs down. Chris Oviatt stated this event is a wonderful experience and people do
77 come from out of town to hear the storytellers. Councilmember Ted Munford noted that in the
78 program, it states that Mr. Stivender is a mummer, and asked what that is. Chris Oviatt stated the
79 teller involves the crowd with a repeating tone or action. After further discussion,
80 Councilmember Dave Everett moved to sponsor this event in the amount of \$750.
81 Councilmember Travis Allan seconded the motion. The motion passed with the following roll call
82 vote:

83 Councilmember Munford..... aye;
84 Councilmember Allan aye;
85 Councilmember Everett..... aye;
86 Councilmember Scott..... aye;
87 Councilmember Clark..... aye.
88

89 **PUBLIC HEARING: REQUEST TO AMEND THE VERNAL CITY MUNICIPAL**
90 **UPDATE FENCING REQUIREMENTS REPEALING SECTIONS 9.32.020, 16.24.055,**
91 **16.24.080, AMEND 16.04.240 AND ADD 16.20.350 - ORDINANCE NO. 2016-01:** Allen
92 Parker explained that the intent of this Ordinance is to consolidate all sections of the code

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pertaining to fencing into one Chapter. The Planning Commission reviewed this Ordinance and held a public hearing before deciding to table it for further review. He recommended the Council take comments, then wait for a final recommendation from the Planning Commission. Mayor Pro Tempore Bert Clark opened the public hearing. Councilmember Ted Munford asked if there are any changes to the substance of the code sections. Allen Parker stated there will be a few clarifications such as a conditional use for side or rear yard fences. Councilmember Ted Munford stated the code lists a hedge as a fence and wondered if a property owner has to have a permit to plant. Allen Parker explained this code is old, but the Council needs to consider hazards that can block views. Technically, a building permit is required if it accesses a road. Councilmember Clark asked that the section on barbed wired fencing be updated as there are still agricultural areas that need that type of fencing. Allen Parker stated he would ask the Planning Commission to preserve that type of fencing for agricultural use, and remove it once that use disappears. Councilmember Bert Clark asked for clarification on temporary fencing. Allen Parker explained that the code requires a temporary fence around large construction sites which must be removed once the project is completed. Councilmember Clark mentioned that he noticed when a permit lapses and a project is not completed, the fence falls into disrepair. Allen Parker stated he understands the concern as there is still an attractive nuisance with the construction site and a hazard with the fencing. Councilmember Munford stated that is a real challenge as some developments fail creating a nuisance in many ways. Allen Parker stated he would have the Planning Commission consider more clarity in that section of the code. Also, in Title 9 trash fences are listed as a nuisance that can be addressed by code enforcement. There being no further comments, Councilmember Ted Munford moved to close the public hearing and table Ordinance No. 2016-01. Councilmember Dave Everett seconded the motion. The motion passed with the Councilmembers Munford, Everett, Scott, Allan and Clark voting in favor.

**PUBLIC HEARING: REQUEST TO AMEND THE VERNAL CITY MUNICIPAL CODE
UPDATE SIGN REGULATIONS CHAPTER 16.28 - ORDINANCE NO. 2016-02:** Allen Parker explained that this Ordinance will clarify items that the staff has found challenging when trying to enforce this ordinance. Also, a new section has been added to deal with inflatable signs. The Planning Commission held a public hearing and is forwarding a positive recommendation for Ordinance No. 2016-02. Mayor Pro Tempore Bert Clark opened the public hearing. Allen Parker explained that inflatable signs are not addressed in the code, yet those are popping up so the staff wants to make sure they are permitted and managed in a good way. Further, in the past any sign that was mounted on a post was treated as a pole sign, and yet there have been a few situations where that has not been the case such as low signs that function more as a wall sign. This ordinance changes the requirements so any sign that is attached to a roof but does not extend past the peak of the roof is considered a wall sign. If it is past the peak of the building, it would be considered a pole sign. Councilmember Clark asked for clarification of the "peak" of the building. Allen Parker stated if it goes above the top of the building. Councilmember Ted Munford asked when dealing with a business that has no gable is that considered a flat sign. Allen Parker answered yes if it is mounted on the front. He noted that there has not been a request for a sign to extend off the top of a business on Main Street yet. Ken Bassett clarified if that were to happen, it would be considered a pole sign. Councilmember Munford asked why there is a fourteen foot minimum requirement if the sign is on the building.

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Councilmember Clark agreed that many buildings, especially along 100 North 100 South, are not that tall. Allen Parker stated an exception can be made for that type of sign. Allen Parker reminded the Council that a pole sign has to be within 350 feet of US 40 or they cannot be erected. The top of the sign is 14 feet, and the bottom of the sign is governed by the shape of the sign if it hangs out beyond the pole for a minimum clearance. Councilmember Bert Clark asked what happens with a temporary banner that blocks the right-of-way or clear vision triangle. Allen Parker stated there are specific regulations for temporary signs, and in no case can it violate the clear vision triangle as defined in the code. Councilmember Clark stated there are temporary banners on 1000 West Main along the the chain link fence and the Middle School. Allen Parker stated that schools are covered differently in State law, and Uintah School District has agreed to not allow advertisements for the private sector. However, they manage those fences. He stated he would have a discussion with them on this issue. Councilmember Dave Everett stated that the sign on 500 East for 7-11 convenience store does block the intersection. Allen Parker stated he would have code enforcement address that issue. Councilmember Ted Munford asked what the concern is with an inflatable sign that there is a time limit of 21 days, with two allowed per year. He noted that most of the time they do not stay inflated that long. Allen Parker stated the sign may occupy required parking, and needs to be secured so it does not infringe on others. He noted that the Planning Commission was more comfortable with limiting the size of the sign based on the size of the property, but agreed to the 25 foot height. Councilmember Munford stated there are businesses that have signs such as wobbly men up all summer. If they are not tying up parking, why is there a concern of the time limit. Councilmember Everett agreed that the City does not want to hinder small businesses from advertising if they are not using required parking. Allen Parker stated the Ordinance can look at the density and reword it so inflatable signs do not have a time limit if they are not taking up required parking. Ken Bassett explained that as the Council considers passing laws, one question they need to keep in mind is why. In this case why should there be a limit of two times per year if it does not interfere with the health, safety or welfare of the community. Councilmember Munford agreed and suggested the wording "twice per year" be eliminated. There being no further public comments, the public hearing was closed. *Councilmember Ted Munford moved approve Ordinance No. 2016-02 with the change to the inflatable signs to allow them year round unless they are taking up required parking. Councilmember Samantha Scott seconded the motion passed with the following roll call vote:*

Councilmember Munford..... aye;
Councilmember Allan aye;
Councilmember Everett..... aye;
Councilmember Scott..... aye;
Councilmember Clark..... aye.

CIB SEWER LINE RE-LINING PROJECT ENGINEERING PROPOSAL - DARREN ANDERSON: Ken Bassett reminded the Council that the City received funding from the Community Impact Board to line a section of the main sewer line. CRS Engineering has submitted a proposal of \$144,000 which is 6% design fees and 6% construction fees for the engineering on this project. When the City relines sewer lines, it adds significantly new life to the sewer lines without replacing them. Councilmember Bert Clark asked the staff to inform Ashley Valley Sewer Management Board of this project. Darren Anderson stated they would

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183 stay in communication with them during the course of this project. Councilmember Ted Munford
184 asked if a line that has already been lined once can be lined again. Darren Anderson answered
185 yes, although there is some loss to the inside diameter of the line so calculations need to be
186 completed to make sure there is not a capacity issue. Councilmember Travis Allen asked how
187 much the capacity decreases. Darren Anderson answered that generally what happens is the pipe
188 is in bad enough condition the friction actually causes less flow than the loss in diameter which
189 is usually around 6 millimeters. In the case of a pipe that has already been lined, the capacity
190 would be more of an issue. Councilmember Allan asked what happens if a piece of the pipe is
191 actually missing. Darren answered that the lining still coats over that section and stops
192 infiltration from dirt or water. Councilmember Bert Clark noted that if this project can prohibit
193 infiltration, it will stop 200,000 gallons of treated water entering the sewer treatment plant. After
194 further discussion, *Councilmember Samantha Scott moved to approve the Engineering proposal*
195 *from CRS Engineering in the amount of \$144,000 for the sewer relining project. Councilmember*
196 *Travis Allan seconded the motion. The motion passed with the following roll call vote:*

197 *Councilmember Munford..... aye;*
198 *Councilmember Allan aye;*
199 *Councilmember Everett..... aye;*
200 *Councilmember Scott aye;*
201 *Councilmember Clark..... aye.*

203 **REQUEST FOR APPROVAL OF FINAL PLAT FOR NICK RICHENS SUBDIVISION**
204 **400 WEST 500 SOUTH - ALLEN PARKER:** Allen Parker explained that this is the final step
205 for the subdivision at 500 South and 400 West to divide the land from two lots into five
206 residential lots and one large commercial lot. He presented a plat of the subdivision
207 configuration for the Council's review. The Planning Commission held a public hearing and is
208 forwarding a positive recommendation. *Councilmember Dave Everett moved to approve the*
209 *final plat for the Nick Richens Subdivision as presented. Councilmember Ted Munford*
210 *seconded the motion. The motion passed with Councilmembers Everett, Munford, Scott, Allan*
211 *and Clark voting in favor for a unanimous vote.*

213 **ADMINISTRATIVE REPORTS:**

215 Budget Meetings:

216 Ken Bassett brought the Council's attention to the tentative schedule of upcoming budget
217 meetings.

219 Aggie Blvd:

220 Ken Bassett explained that periodically the City receives a request to block off Aggie Boulevard
221 for a 5K race or other event for the purpose of raising funds. One problem is now there are entities
222 or businesses that are being impacted when the road is closed. For example the LDS stake center
223 may have a funeral that day or the Golden Age Center have citizens trying to enter the parking lot
224 daily. He asked the Council if they would agree that the organization asking that the road be
225 closed be required to get permission from the property owners before the City approved the road
226 closure. Councilmember Everett suggested a form letter be developed that is given to the

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organization to get signed. Councilmember Munford asked, out of courtesy, to notify the regular requestors of the change in procedure.

North Vernal Avenue:

Councilmember Clark asked the staff to make sure businesses along North Vernal Avenue are aware of the road being milled this year so they can repair utilities before the work is completed.

ADJOURN: There being no further business, *Councilmember Ted Munford moved to adjourn. Councilmember Bert Clark seconded the motion. The motion passed with a unanimous vote and the meeting was declared adjourned.*

Mayor Pro Tempore Bert Clark

ATTEST:

Roxanne Behunin, Deputy Recorder

(S E A L)

Vernal/Uintah County Airport GROUND LEASE AGREEMENT

THIS AGREEMENT, entered into this 29th day of February, 2016, by and between Uintah Transportation Special Service District, hereinafter referred to as "LESSOR" and Dinaland Aviation, hereinafter referred to as "LESSEE".

WITNESSETH:

WHEREAS, the properties commonly known as the Vernal Regional Airport, hereinafter referred to as "the Airport", are owned Lessor; and

WHEREAS, Lessor has the right to lease property on the Airport together with the facilities, right, licenses and privileges hereinafter granted, and has full power and authority to enter into this agreement; and

WHEREAS, Lessee desires to lease certain space, premises, facilities, right and privileges and Lessor is willing to lease such premises, facilities, rights and privileges to Lessee for such purposes upon the terms and conditions hereinafter stated;

NOW, THEREFORE, for and in consideration of the mutual covenants hereinafter contained the parties hereby formally covenant, agree and bind themselves, as follows:

Lessor hereby leases to Lessee for the term hereinafter designated, the following described property:

SEE ATTACHMENT A

SECTION 1 – TERM

The primary term of this lease shall be for a period of ten (10) years to commence March 1, 2016 and end on February 28, 2026.

SECTION 2 – OPTION TO EXTEND

Lessee shall have the right, to be exercised as hereinafter provided, to extend the term of this Lease Agreement for successive periods of five (5) years each on the following terms and conditions:

- (a) No default is existing or continuing in the performance of any of the terms of this lease.
- (b) Each extended term shall be on the same terms, covenants, and conditions as provided in this Lease.
- (c) Lessee shall exercise the right to an extension in the following manner:
 - (i) At least six (6) months prior to the expiration of the initial term, or any extended term, Lessee shall notify Lessor in writing of Lessee's election to exercise the right to extend the term of this Lease Agreement.
 - (ii) On giving such notice of election, the Lease Agreement, subject to the terms of this provision shall be deemed to be extended and the term thereof extended for a period of five (5) years from the date of expiration of the term during which such notice is given, subject however to Section 3 below.

In the event that Lessee does not elect to extend lease under the provisions of this section and the lease expires, Lessee shall have the right to remove those improvements owned by lessee and not permanently affixed to the premises and the obligation to remove any hazardous materials from the site in order to return the property to lessor in condition satisfactory to lessor, or in the alternative to sell those improvements in accordance with the provisions of this lease. If permanently affixed to the premises any alterations and improvements will become the property of the Lessors.

SECTION 3 – LESSORS' RIGHT TO CANCELLATION

Lessors shall have the right to cancel this lease agreement for any reason upon giving Lessee written notice at least one hundred eighty (180) days prior to termination. Lessee's right of extension shall be subject to Lessor's right of cancellation. Within the 180 day period Lessee shall have the right, subject to Section Thirteen of this lease, to sell or remove improvements owned by Lessee. Provided, that Lessee shall be responsible to remove, at Lessee expense, any hazardous materials and return the property to Lessors in condition acceptable to Lessor. This Lease Agreement shall terminate at the end of the period specified in the written notification, which period shall be at least one hundred eighty (180) days.

SECTION 4 – RENTAL

The rent to be paid by Lessee shall be a specified rate per square foot per year, said rate to be subject to annual review during January of each year, and may be adjusted, up or down, for inflation on an annual basis. The adjustment shall be based on a nationally recognized inflation index. If Lessor does adjust the rental rates, the new rate shall become effective at the time of the next semi-annual or annual payment is due providing Lessor gives Lessee written notice at least thirty (30) days in advance. The initial rate shall be \$.15 per square foot per year and any adjustment shall be made to the nearest ½ cent. Measurement for payment shall be based on the exterior size of Lessee's building, plus additional area identified by Lessee and Lessor for aviation related equipment (such as fuel trucks) parking. Such equipment shall be in operating condition with current certification, licenses, or inspections as required by county, state or federal laws. Rental payments shall be paid either annually in advance. Six Thousand Six Hundred Sixty Three Dollars (\$6,663.00) annually on March 1st of each year.

SECTION 5 – ADDITIONAL FEES, TAXES AND LICENSES

In addition to the rental herein required, Lessee shall also pay any fees that may be required by any city, county, state or federal rule, regulation, ordinance, or statute which shall include, but not be limited to, paying to Lessor pursuant to county ordinance, a flowage fee. The fee may be paid at the pump if purchase is made from a Fixed Base Operator (fuel dealer). Otherwise if Lessee is a FBO (fuel dealer), or supplies his own fuel, payment should be made directly to the County. Currently the fee is two cents (\$.02) per gallon, which may be subject to change, for all fuel used or sold be Lessee, for aircraft using the airport. If Lessee is a commercial operator (FBO), Lessee shall provide records showing the total amount of fuel used or sold for aircraft and allow Lessor to conduct an audit of said records. In the event the audit discloses a difference of more than five percent (5%), the cost of the audit shall be borne by Lessee. The flowage fees due the County shall be paid monthly. Lessee covenants and agrees to pay promptly all valid taxes, excises, license fees and permit fees of whatever nature applicable to its operation hereunder.

SECTION 6 – DELINQUENCY

All payments required here in shall be considered delinquent if not paid within thirty (30) days from the date they are due and payable. All delinquent payments shall accrue interest at the rate of eighteen percent (18%) per annum until paid. Failure to make any of the payments required pursuant to this Lease Agreement, within thirty (30) days shall

constitute default under this Agreement and shall be sufficient cause for Lessor to terminate this lease.

SECTION 7 – NOTICES

All notices required to be given to Lessor hereunder shall be in writing and sent by certified mail to: Vernal Transportation Special Service District, District Chair, PO Box 144, 320 North Aggie Blvd. Suite 138 R, Vernal, UT 84078. All notices required to be given to Lessee shall be in writing and sent by certified mail to Dinaland Aviation, Attention John Gardiner, 830 East 500 South, Vernal, Utah 84078 provided that the parties or either of them may designate in writing from time to time subsequent or supplementary persons or addresses in connection with such notices.

SECTION 8 – INSURANCE

Lessee shall procure and maintain in force insurance covering the leased premises and Lessee's activities thereon in the minimum amounts as follows:

- (a) For non-commercial operators, Premises liability including bodily injury (including wrongful death) and damage insurance written on an occurrence basis, protecting Lessee with limits of not less than \$500,000.00/ 1,000,000.00 bodily injury for any one occurrence, and not less than \$500,000.00 for damages to property of others, and in such form as Lessor may from time to time require.
- (b) In the event Lessee is or shall become a commercial operator:
 - 1. Premises Liability Insurance, written on a comprehensive general liability form, bodily injury (including wrongful death) and damage insurance written on an occurrence basis, protecting Lessee with limits of not less than \$1,000,000.00/ \$2,000,000.00 bodily injury for any one occurrence, and not less than \$1,000,000.00 for damages to property of others and in such form as Lessor may from time to time require.
- (c) Lessor shall be named as additional insured with a waiver of subrogation and hold harmless agreement on all insurance acquired under this provision.
- (d) All policies of insurance required herein shall be in a form and with a company or companies approved by Lessor, and qualified to do business in the State of Utah. Lessor reserves the right to require Lessee to increase the above stated limits if Lessor determines that due to inflation or liability exposure the increase is necessary. Lessor shall be furnished with copies of all insurance policies obtained

by Lessee in compliance with this section. Lessee agrees to notify in writing as to any amendment to or cancellation of such policies.

SECTION 9 – INDEMNIFICATION

Lessee agrees to indemnify and hold harmless, Lessor (Uintah County and Vernal City) it's agents, officers and employees against all Liabilities for injuries to persons or property caused by lessee's negligent use or occupancy of the premises, provided however, that Lessor shall give Lessee prompt timely notice of any claim made or suit instituted, which in any way, directly or indirectly, contingently or otherwise, affects or might affect Lessee and Lessee shall have the right to compromise and defend the same to the extent of its own interest.

SECTION 10 – USE OF PREMISES

Lessee agrees to use leased property for aviation oriented purposes only, such as aircraft storage and incidentals associated primarily with care of aircraft. Lessee will not use said premises or allow any sub-lessee to use space for any other purpose without the prior written consent of Lessor.

SECTION 11 – SAFETY STANDARDS

All activities conducted on the leased premises, or any other activities conducted by lessee on or about the Airport shall conform to applicable FAA safety standards. Copies of FAA advisory circulars for safety Standards may be obtained from the airport manager or on the FAA website, www.faa.gov.

SECTION 12 – MAINTENANCE PREMISES

Lessee shall at his sole expense, keep and maintain the leased premises and appurtenances in good and sanitary condition and repair during the term of this lease.

SECTION 13 – RIGHT OF FIRST REFUSAL

In the event Lessee shall receive a bona fide offer to purchase the improvements owned by Lessee during the term of this Lease, and the offer to purchase shall be satisfactory to Lessee, Lessee shall give Lessor the opportunity to purchase the improvements at the price and on the terms of the offer so made. This opportunity shall be given in a notice sent to Lessor by registered mail, requiring Lessor to accept the offer in writing and to sign a suitable contract within the period of thirty (30) days after mailing of the notice. Failure of Lessor to accept the offer to purchase, or sign a contract, within the period provided shall nullify and void the required opportunity to Lessor, and Lessee shall be at

liberty to sell the owned improvements to any other person, firm, or corporation. Any subsequent sale, except to Lessor, shall be subject to this lease, and any renewals or extensions thereof, or the standard lease form used by Lessor as of the date of the transfer, at the option to Lessor. Failure of Lessee to offer this right of first refusal to Lessor shall invalidate this lease and Lessee's rights under this lease shall not transfer.

SECTION 14 – ASSIGNMENT

Lessee shall not assign any of its rights in this Lease Agreement, in whole or in part, without the prior written consent of Lessor.

SECTION 15 – APPROVAL FOR CONSTRUCTION

No improvements may be constructed, changed or altered by Lessee on the leased premises unless the plans and specifications for the construction, change or alteration are approved in writing by Lessor. In addition, said plans and specifications so approved by Lessor, shall be filed and approved by the Federal Aviation Administration before any construction, change or alterations may begin, and pursuant to a building permit issued by the appropriate governmental agency. Lessee shall furnish written proof of financial ability to complete proposed project before any such construction, change or alteration shall be approved by Lessor.

SECTION 16 – SIGNS

Lessee shall not erect, or paint any new signs whatsoever upon the leased premises without first securing the written consent of Lessor.

SECTION 17 – RIGHT OF INSPECTION

Lessor reserves the right for its officers, employees and authorized representatives, the full and unrestricted right to enter the premises, including any buildings and structures, for the purpose of inspecting or protecting such premises and of doing any and all things which Lessor may deem necessary for the proper general conduct and operation of the Airport. However unless an emergency exists, such inspection shall occur during regular business hours upon prior notice, and by written consent of Lessee. Lessee shall at all times cooperate with the inspection. If Lessee does not cooperate and consent is not given, Lessor maintains the right to seek a judicial warrant if circumstances merit such action.

SECTION 18 – NON-LIABILITY OR LESSOR

In consideration of this Lease and the rental charged Lessee therefor, Lessee agrees that Lessor shall not be responsible to Lessee for any damages to Lessee, his property, or any of Lessee's employees arising from the storage of aircraft, flood, windstorms, fires, or flight facilities or use of the airport by other persons.

SECTION 19 – FORCE MAJEURE

Neither Lessor nor Lessee shall be deemed to be in breach of this Lease Agreement by reason of failure to perform any of its obligations hereunder if while, and to the extent that such failure is due to embargoes, shortage of materials, acts of God, acts of superior governmental authority, floods, riots, rebellion, or any other similar circumstances for which it is not responsible, and which and not within its reasonable control.

SECTION 20 – INCONVENIENCE DURING CONSTRUCTION

Lessee recognizes that from time to time during the term of this Lease Agreement, it will be necessary for Lessor to initiate and carry forward extensive programs of construction, reconstruction, expansion, relocation (including complete relocation of the entire airport), maintenance and repair in order that the Airport and its facilities may be suitable for the volume and character of air traffic and flight activity which will require accommodation, and that such activities may inconvenience or temporarily interrupt Lessee and its operation at the Airport. Lessee agrees that no liability shall attach to Lessor, its officers, agents, employees, contractors, subcontractors, and representatives by reason of such inconvenience or interruption and for and in further consideration of the premises, Lessee waived any right to claim damages or other consideration therefor.

SECTION 21 – CHANGES IN CORPORATE PRINCIPAL OR PARTNERS

Prior to the commencement of this Lease Agreement, if applicable, Lessee shall submit to Lessor a copy of its Articles of Incorporation, articles of organization, including the names and addresses of its present principle owners, partners, shareholders, officers or directors as the case may be. During the term of this Lease Agreement, if any one or more of the principal owners, partners, shareholders, officers, or directors, shall no longer be principal owners of such cooperation, or partnership, then this Lease Agreement shall automatically terminate unless written approval is made by the Lessor. Principal owner is defined as anyone who owns at least 30% of the controlling interest in the organization.

SECTION 22 – MECHANIC'S LIENS

Notice is hereby given that the Lessor shall not be liable for any labor or material furnished or to be furnished to the Lessee upon credit. No mechanic's lien for any such labor or material shall attach to or affect the reversion of other estate or interest of Lessor in and to the demised premises. Lessee shall not allow any mechanic's liens to the property. Whenever and as often as any mechanics lien shall have been filed against the premises, based upon any act or interest of the Lessee or anyone claiming through the Lessee, or if any financing statement or agreement of like import shall have been filed of or affecting any materials machinery or fixtures used in construction, repair or operation thereof, or annexed thereto by the Lessee, the Lessee shall forthwith take such action by bonding, deposit or payment as will satisfy the lien, or financing statement or agreement of like import. Lessee shall hold Lessor harmless from any and all liens.

SECTION 23 – DEFAULT

Each of the following events shall constitute a default or breach of this lease by lessee;

1. If Lessee, or any successor or assignee of Lessee while in possession, shall file bankruptcy or insolvency or for reorganization under any bankruptcy act, or shall voluntarily take advantage of any such act by answer or otherwise, or shall make an assignment for the benefit of creditors.
2. In the event Lessee shall engage in any unlawful activity or practice (except as herein specifically permitted) which hinders or interferes with the proper use and operation of the Airport,
3. If Lessee shall fail, refuse or neglect to pay the rent or other payments as herein provided.
4. If Lessee shall fail to perform or comply with any of the terms and conditions of this Lease Agreement, and if the noncompliance shall continue and not be corrected within 30 days.
5. If Lessee shall vacate or abandon the premises.
6. If this Lease or the estate of Lessee hereunder shall be transferred to or shall pass to or devolve on any other person or party except in the manner herein permitted.

SECTION 24 - EFFECT OF DEFAULT

In the event of any default hereunder, as set forth in Section Twenty Three, the rights of the Lessor shall be as follows:

1. Lessor shall become entitled to retake the leased property upon giving Lessee notice of such breach in writing at least thirty (30) days in advance. If at the end of such thirty (30) day period, Lessee fails to vacate the premises, Lessor may use

such remedy as it may deem fit under the circumstances to retake the leased property, with or without process of law.

2. Further, in the event Lessee shall engage in any activity or practice (except as herein specifically permitted) which hinders or interferes with the proper use and operation of the Airport, then Lessor may order Lessee to forthwith cease and desist from such activity or practice, and should Lessee fail or comply with any such order, then Lessor may at its option, cancel and terminate this Lease Agreement immediately without the giving the afore-stated one hundred eighty (180) day notice of cancellation.
3. Further, in the event Lessee abandons the lease premises, Lessor may at its option, cancel and terminate this Lease Agreement or may without terminating the Lease Agreement, enter upon and take possession of the leased premises with or without process of law, without liability for trespass. Lessor may at its option require any or all improvements to be removed and any hazardous material to be cleaned up at Lessee's expense, or may negotiate with Lessee a fair price for any improvements or take possession of the premises in an "as is" condition.
4. Further, Lessor may elect, but shall not be obligated, to make payment required of Lessee herein or comply with any agreement, term or condition required hereby to be performed by Lessee, and Lessor shall have the right to enter the premises for the purpose of correcting or remedying any such default has been corrected or remedied, but any expenditure for the correction by the lessor shall not be deemed to waive or release the default of Lessee or the right of Lessor to take any action as may be otherwise permissible hereunder in the case of any default.
5. Lessor may re-enter the premises immediately and remove the property and personnel of Lessee, and store the property in a public warehouse or at a place selected by Lessor, at the expense of the Lessee. After re-entry Lessor may terminate the lease on giving 30 days written notice of termination to Lessee. On termination Lessor may recover from Lessee all damages proximately resulting from the breach, including the cost of recovering the premises, and the worth of the unpaid balance for the remainder of the lease term, which sum shall be immediately due Lesser from Lessee.

SECTION 25 – AIRPORT RULES AND REGULATIONS

In addition to all provisions of the Lease Agreement, Lessee agree to comply with the Airport Rules and Regulations as adopted and all amendments thereto. There shall be an annual review of this lease by the airport board in January of each year that the airport board may determine to its satisfaction the terms of this lease are complied with.

SECTION 26 – AGREEMENTS WITH THE UNITED STATES OR STATE OF UTAH

This Lease Agreement is subject and subordinate to the terms, reservations, restrictions, provisions and conditions of any existing or future agreements the Uintah Transportation Special Service District board and the United States or State of Utah relative to the operation or maintenance of the Airport and its appurtenant facilities, the execution of which has been or may be required as a condition precedent to the participation by any Federal or State Agency in the expansion or development of said Airport and facilities.

SECTION 27 – FEDERAL AVIATION ADMINISTRATION LEASE REQUIREMENTS

- A. The Lessee for himself, his personal representatives, successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree that:
- i) No person on the grounds of race, color or national origin shall be excluded from the participation in, denied the benefits of or otherwise subjected to discrimination in the use of said facilities.
 - ii) That in the construction of any improvements on, over, or under such land and the furnishing of service thereon, no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination.
 - iii) That the Lessee shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, office of the Secretary, Part 21, Nondiscrimination in Federally assisted programs on the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations be amended.
- B. Lessee shall furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof, and it shall charge fair reasonable and not unjustly discriminatory prices for each unit or services, provided that Lessee may be allowed to make reasonable nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchasers.

- C. Lessee shall make its accommodations and/or services available to the public on fair and reasonable terms without unjust discrimination on the basis of race, creed, color or national origin.
- D. Non-compliance with provisions A, B, and C above after written findings, shall constitute a material breach thereof and in the event of such non-compliance the Lessor shall have the right to terminate this lease and the estate hereby created without liability therefore or at the election of the Lessor or the United States either or both said Governments shall have the right to judicially enforce said Provisions A, B, and C.
- E. Lessee agrees that is shall insert the above four provisions in any lease by which Lessee grants a right to any person, firm or corporation to render accommodations and/or services to the public on the premises herein leased.
- F. Lessee agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulation in the event any future structure or building is planned for the leased premises or in the event of any plan, modification or alteration of any present or future building or structure situated on the leased premises.
- G. It is understood and agreed that nothing contained in this Lease Agreement shall be construed to grant or authorize the granting of an exclusive right or privilege within the meaning of Section 308 of the Federal Aviation Act.
- H. There is hereby reserved to the Lessor, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the leased premises, together with the right to cause in said airspace such noise an may be inherent in the operation of aircraft, now known or herein after used for navigation of or flight in the air, using the airspace for landing at, taking off from or operating at the Airport.
- I. Lessee, by accepting this Lease Agreement, expressly agrees for itself, its successors and assigns, that it will not erect nor permit the erection of nay structure or object nor permit the growth of any tree on the leased premises above that elevation set in the Uintah County Zoning Ordinance in the event that afore said covenant is breached, Lessor reserves the right to enter upon the leased premises and to remove the offending structure or object and cut the tree, all of which shall be at the expense of the Lessee.
- J. Lessee, by accepting this Lease Agreement, expressly agrees for itself its successors and assigns, that it will not make use of the leased premises in any manner which might interfere with the landing and taking off of aircraft from the

Airport or otherwise constitute a hazard. In the event the aforementioned covenant is breached, Lessor reserves the right to enter upon the leased premises and cause the abatement of such interference at the expense of the Lessee.

SECTION 28 – COST OF ENFORCEMENT AND ATTORNEY’S FEES

In the event of default, the defaulting party agrees to pay all costs of enforcing the terms of this Lease and reasonable attorney’s fees which may be incurred in a court proceeding or otherwise.

SECTION 29 - GOVERNING LAW

This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Utah. Any and all suits for any and every breach of this contract may be instituted and maintained in any court of competent jurisdiction in the County of Uintah, State of Utah.

SECTION 30 – SEVERABILITY

The partial or complete invalidity of any one or more provisions of this Agreement shall not affect the validity or continuing force and effect of any other provision.

SECTION 31 – ENTIRE AGREEMENT

This Agreement shall constitute the entire agreement between the parties. Any prior understanding or representation of any kind preceding the date of this Agreement shall not be binding upon either party except to the extent incorporated in this Agreement.

SECTION 32 – MODIFICATION OF AGREEMENT

Any modification of this Agreement or additional obligation assumed by either party in connection with this Agreement shall be binding only if evidenced in a writing signed by each party or an authorized representative of each party.

IN WITNESS WHEREOF, the parties hereto have caused this Lease Agreement to be executed as of the day and year first above written.

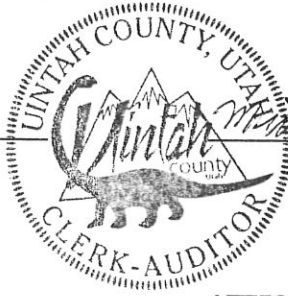
LESSOR:

Uintah County

ATTEST:

Chairperson

Mark B. Gaydon



ATTEST:

Michael M. Wilson

Vernal City

Mayor

LESSEE:

WITNESS

DESCRIPTION - T HANGER BUILDING

BEGINNING AT A POINT IN THE NORTHWEST QUARTER OF SECTION 25, TOWNSHIP 4 SOUTH, RANGE 21 EAST, SALT LAKE BASE AND MERIDIAN WHICH BEARS N87°59'04"E ALONG THE NORTH LINE OF SAID NORTHWEST QUARTER 1242.77 FEET AND S02°12'21"E PARALLEL WITH THE WEST LINE OF SAID NORTHWEST QUARTER 65.40 FEET FROM THE NORTHWEST CORNER OF SAID SECTION; THENCE N87°54'04"E 51.79 FEET; THENCE S02°05'56"E 359.93 FEET; THENCE S87°54'04"W 51.79 FEET; THENCE N02°05'56"W 359.93 FEET TO THE POINT OF BEGINNING. BASIS OF BEARINGS IS THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION WHICH IS CALCULATED FROM THE COUNTY SURVEYOR'S CONTROL MAP (TITLED ASHLEY VALLEY CONTROL SURVEY, DATED NOV. 3, 2004) TO BEAR N87°59'04"E. CONTAINS 18,641 SQUARE FEET.

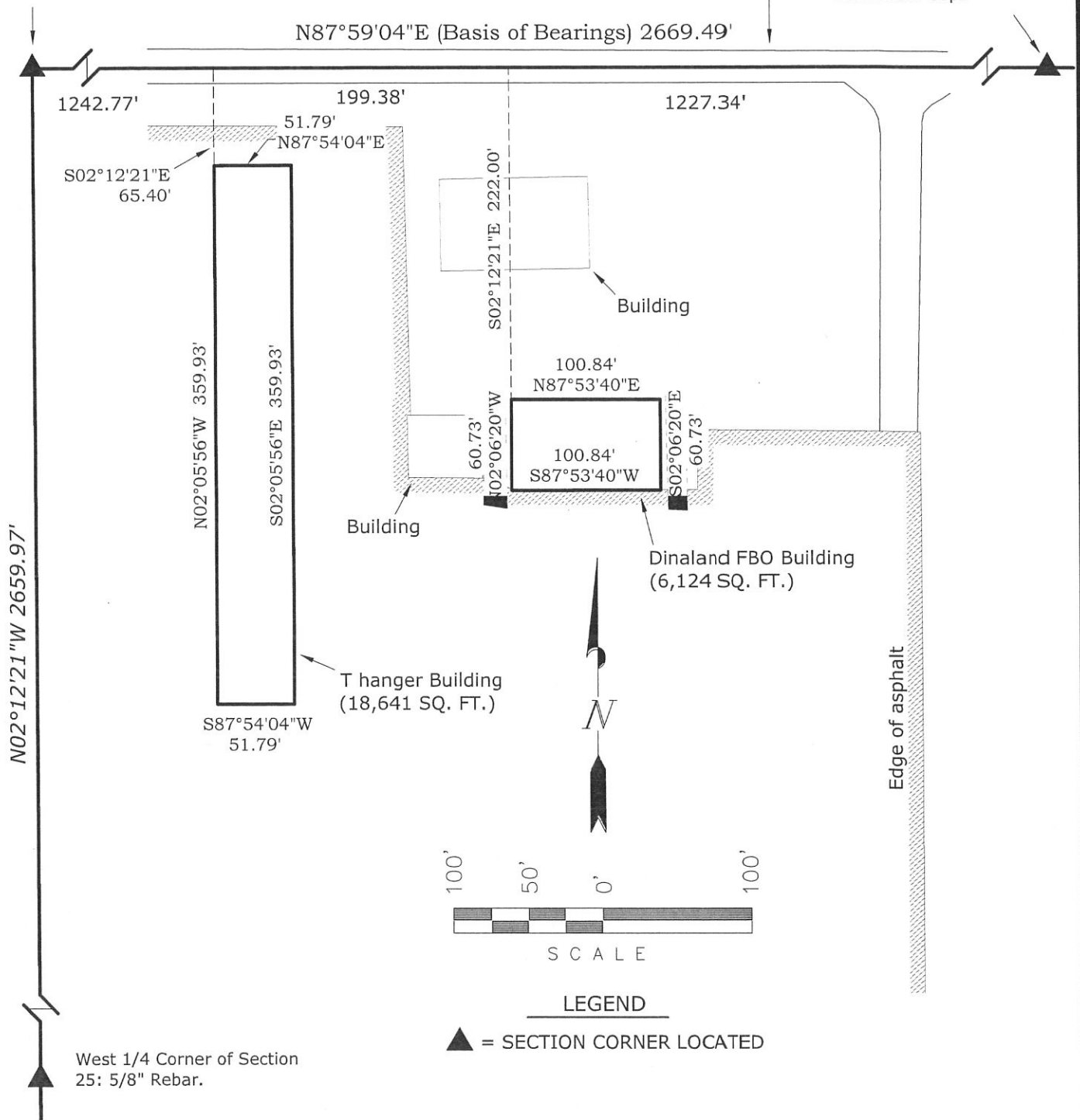
DESCRIPTION - DINALAND FBO BUILDING

BEGINNING AT A POINT IN THE NORTHWEST QUARTER OF SECTION 25, TOWNSHIP 4 SOUTH, RANGE 21 EAST, SALT LAKE BASE AND MERIDIAN WHICH BEARS N87°59'04"E ALONG THE NORTH LINE OF SAID NORTHWEST QUARTER 1442.15 FEET AND S02°12'21"E PARALLEL WITH THE WEST LINE OF SAID NORTHWEST QUARTER 222.00 FEET FROM THE NORTHWEST CORNER OF SAID SECTION; THENCE N87°53'40"E 100.84 FEET; THENCE S02°06'20"E 60.73 FEET; THENCE S87°53'40"W 100.84 FEET; THENCE N02°06'20"W 60.73 FEET TO THE POINT OF BEGINNING. BASIS OF BEARINGS IS THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION WHICH IS CALCULATED FROM THE COUNTY SURVEYOR'S CONTROL MAP (TITLED ASHLEY VALLEY CONTROL SURVEY, DATED NOV. 3, 2004) TO BEAR N87°59'04"E. CONTAINS 6,124 SQUARE FEET.

Northwest Corner of Section
25: 2010, 2 $\frac{1}{2}$ " Uintah County
Surveyor Aluminum Cap.

North 1/4 Corner of
Section 25: 2010, 2 $\frac{1}{2}$ "
Uintah County Surveyor
Aluminum Cap.

500 South Street



Vernal Regional Airport

John Gardner Leases

Located in the NW 1/4 of
Sec. 25, T4S, R21E, S.L.B.&M.
Uintah County, Utah

SURVEYED BY: M.S.B.

DRAWN BY: B.J.S.

DATE: 02/05/2016

SCALE: 1" = 100'

FILE: 24

TIMBERLINE
Engineering & Land Surveying
209 North 300 West Vernal, Utah
(435) 789-1365

Vernal/Uintah County Airport GROUND LEASE AGREEMENT

THIS AGREEMENT, entered into this 25 day of January, 2016, by and between Uintah County and Vernal City, political subdivisions of the State of Utah, hereinafter referred to as "LESSORS" and Blue Sky Aviation Investments LLC, hereinafter referred to as "LESSEE".

WITNESSETH:

WHEREAS, the properties commonly known as the Vernal Regional Airport, hereinafter referred to as "the Airport", are owned jointly by Uintah County and Vernal City, Utah and said governmental entities are acting jointly by Uintah County and Vernal City, Utah and said governmental entities are acting jointly as the "LESSORS", with Uintah County being the fiscal agent in this agreement; and

WHEREAS, LESSORS has the right to lease property on the Airport together with the facilities, right, licenses and privileges hereinafter granted, and has full power and authority to enter into this agreement; and

WHEREAS, LESSEE desires to lease certain space, premises, facilities, right and privileges and LESSORS are willing to lease such premises, facilities, rights and privileges to LESSEE for such purposes upon the terms and conditions hereinafter stated;

NOW, THEREFORE, for and in consideration of the mutual covenants hereinafter contained the parties hereby formally covenant, agree and bind themselves, as follows:

Lessors hereby lease to Lessee for the term hereinafter designated, the following described property:

Parcel #1

Beginning at a point 366 feet south and 1,595 feet west of north $\frac{1}{4}$ corner section 25 T4S R21E SLM, which point is the North East corner of a 80 x 65 foot hangar.

SECTION 1 – TERM

The primary term of this lease shall be for a period of twenty (20) years to commence January 25, 2016 and end on January 25, 2036.

SECTION 2 – OPTION TO EXTEND

Lease shall have the right, to be exercised as hereinafter provided, to extend the term of this Lease Agreement for successive periods of ten (10) years each on the following terms and conditions:

- (a) No default is existing or continuing in the performance of any of the terms of this lease.
- (b) Each extended term shall be on the same terms, covenants, and conditions as provided in this Lease.
- (c) Lessee shall exercise the right to an extension in the following manner:
 - (i) At least six (6) months prior to the expiration of the initial term, or any extended term, Lessee shall notify Lessor in writing of Lessee's election to exercise the right to extend the term of this Lease Agreement.
 - (ii) On giving such notice of election, the Lease Agreement, subject to the terms of this provision shall be deemed to be extended and the term thereof extended for a period of five (5) years from the date of expiration of the term during which such notice is given, subject however to Section 3 below.

In the event that Lessee does not elect to extend lease under the provisions of this section and the lease expires, Lessee shall have the right to remove those improvements owned by lessee and not permanently affixed to the premises and the obligation to remove any hazardous materials from the site in order to return the property to lessor in condition satisfactory to lessor, or in the alternative to sell those improvements in accordance with the provisions of this lease. If permanently affixed to the premises any alterations and improvements will become the property of the Lessors.

SECTION 3 – LESSORS' RIGHT TO CANCELLATION

Lessors shall have the right to cancel this lease agreement for any reason upon giving Lessee written notice at least one hundred eighty (180) days prior to termination.

Lessee's right of extension shall be subject to Lessor's right of cancellation. Within the 180 day period Lessee shall have the right, subject to Section Thirteen of this lease, to sell or remove improvements owned by Lessee. Provided, that Lessee shall be responsible to remove, at Lessee expense, any hazardous materials and return the property to Lessors in condition acceptable to Lessor. This Lease Agreement shall terminate at the end of the period specified in the written notification, which period shall be at least one hundred eighty (180) days.

SECTION 4 – RENTAL

The rent to be paid by Lessee shall be a specified rate per square foot per year, said rate to be subject to annual review during January of each year, and may be adjusted, up or down, for inflation on an annual basis. The adjustment shall be based on a nationally recognized inflation index. If Lessor does adjust the rental rates, the new rate shall become effective at the time of the next semi-annual or annual payment is due providing Lessor gives Lessee written notice at least thirty (30) days in advance. The initial rate shall be \$.15 per square foot per year and any adjustment shall be made to the nearest ½ cent. Measurement for payment shall be based on the exterior size of Lessee's building, plus additional area identified by Lessee and Lessor for aviation related equipment (such as fuel trucks) parking. Such equipment shall be in operating condition with current certification, licenses, or inspections as required by county, state or federal laws. Rental payments shall be paid annually in advance. Annual payment shall be \$684.00 due on July 1st.

SECTION 5 – ADDITIONAL FEES, TAXES AND LICENSES

In addition to the rental herein required, Lessee shall also pay any fees that may be required by any city, county, state or federal rule, regulation, ordinance, or statute which shall include, but not be limited to, paying to Lessor pursuant to county ordinance, a flowage fee. The fee may be paid at the pump if purchase is made from a Fixed Base Operator (fuel dealer). Otherwise if Lessee supplies his own fuel, payment should be made directly to the County. Currently the fee is two cents (\$.02) per gallon, which may be subject to change, for all fuel used for aircraft using the airport. Lessee agrees not to sell fuel for commercial purposes.

SECTION 6 – DELINQUENCY

All payments required here in shall be considered delinquent if not paid within thirty (30) days from the date they are due and payable. All delinquent payments shall accrue

interest at the rate of eighteen percent (18%) per annum until paid. Failure to make any of the payments required pursuant to this Lease Agreement, within thirty (30) days shall constitute default under this Agreement and shall be sufficient cause for Lessor to terminate this lease.

SECTION 7 – NOTICES

All notices required to be given to Lessor hereunder shall be in writing and sent by certified mail to: Vernal/ Uintah County Airport, Airport Manager 825 South 500 East, Vernal, UT 84078. All notices required to be given to Lessee shall be in writing and sent by certified mail to 388 Prime Rose Court Farmington, UT 84025. Provided that the parties or either of them may designate in writing from time to time subsequent or supplementary persons or addresses in connection with such notices.

SECTION 8 – INSURANCE

Lessee shall procure and maintain in force insurance covering the leased premises and Lessee's activities thereon in the minimum amounts as follows:

- (a) For non-commercial operators, Premises liability including bodily injury (including wrongful death) and damage insurance written on an occurrence basis, protecting Lessee with limits of not less than \$500,000.00/1,000,000.00 bodily injury for any one occurrence, and not less than \$500,000.00 for damages to property of others, and in such form as Lessor may from time to time require.
- (b) In the event Lessee is or shall become a commercial operator:
 - 1. Premises Liability Insurance, written on a comprehensive general liability form, bodily injury (including wrongful death) and damage insurance written on an occurrence basis, protecting Lessee with limits of not less than \$1,000,000.00/ \$2,000,000.00 bodily injury for any one occurrence, and not less than \$1,000,000.00 for damages to property of others and in such form as Lessor may from time to time require.
- (c) Uintah County and Vernal City shall be named as additional insured with a waiver of subrogation and hold harmless agreement on all insurance acquired under this provision.

- (d) All policies of insurance required herein shall be in a form and with a company or companies approved by Lessor, and qualified to do business in the State of Utah. Lessor reserves the right to require Lessee to increase the above stated limits if Lessor determines that due to inflation or liability exposure the increase is necessary. Lessor shall be furnished with copies of all insurance policies obtained by Lessee in compliance with this section. Lessee agrees to notify in writing as to any amendment to or cancellation of such policies.

SECTION 9 – INDEMNIFICATION

Lessee agrees to indemnify and hold harmless, Lessor (Uintah County and Vernal City) it's agents, officers and employees against all Liabilities for injuries to persons or property caused by lessee's negligent use or occupancy of the premises, provided however, that Lessor shall give Lessee prompt timely notice of any claim made or suit instituted, which in any way, directly or indirectly, contingently or otherwise, affects or might affect Lessee and Lessee shall have the right to compromise and defend the same to the extent of its own interest.

SECTION 10 – USE OF PREMISES

Lessee agrees to use leased property for aviation oriented purposes only, such as aircraft storage and incidentals associated primarily with care of aircraft. Lessee will not use said premises or allow any sub-lessee to use space for any other purpose without the prior written consent of Lessor.

SECTION 11 – SAFETY STANDARDS

All activities conducted on the leased premises, or any other activities conducted by lessee on or about the Airport shall conform to applicable FAA safety standards. Copies of FAA advisory circulars for safety Standards may be obtained from the airport manager.

SECTION 12 – MAINTENANCE PREMISES

Lessee shall at his sole expense, keep and maintain the leased premises and appurtenances in good and sanitary condition and repair during the term of this lease.

SECTION 13 – RIGHT OF FIRST REFUSAL

In the event Lessee shall receive a bona fide offer to purchase the improvements owned by Lessee during the term of this Lease, and the offer to purchase shall be satisfactory to Lessee, Lessee shall give Lessor the opportunity to purchase the improvements at the

price and on the terms of the offer so made. This opportunity shall be given in a notice sent to Lessor by registered mail, requiring Lessor to accept the offer in writing and to sign a suitable contract within the period of thirty (30) days after mailing of the notice. Failure of Lessor to accept the offer to purchase, or sign a contract, within the period provided shall nullify and void the required opportunity to Lessor, and Lessee shall be at liberty to sell the owned improvements to any other person, firm, or corporation. Any subsequent sale, except to Lessor, shall be subject to this lease, and any renewals or extensions thereof, or the standard lease form used by Lessor as of the date of the transfer, at the option to Lessor. Failure of Lessee to offer this right of first refusal to Lessor shall invalidate this lease and Lessee's rights under this lease shall not transfer.

SECTION 14 – ASSIGNMENT

Lessee shall not assign any of its rights in this Lease Agreement, in whole or in part, without the prior written consent of Lessor.

SECTION 15 – APPROVAL FOR CONSTRUCTION

No improvements may be constructed, changed or altered by Lessee on the leased premises unless the plans and specifications for the construction, change or alteration are approved in writing by Lessor. In addition, said plans and specifications so approved by Lessor, shall be filed and approved by the Federal Aviation Administration before any construction, change or alterations may begin, and pursuant to a building permit issued by the appropriate governmental agency. Lessee shall furnish written proof of financial ability to complete proposed project before any such construction, change or alteration shall be approved by Lessor.

SECTION 16 – SIGNS

Lessee shall not erect, or paint any new signs whatsoever upon the leased premises without first securing the written consent of Lessor.

SECTION 17 – RIGHT OF INSPECTION

Lessor reserves the right for its officers, employees and authorized representatives, the full and unrestricted right to enter the premises, including any buildings and structures, for the purpose of inspecting or protecting such premises and of doing any and all things which Lessor may deem necessary for the proper general conduct and operation of the Vernal/ Uinta County Airport. However unless an emergency exists, such inspection shall occur during regular business hours upon prior notice, and admission to the premises, including buildings and structures by Lessee shall be obtained whenever practical.

SECTION 18 – NON-LIABILITY OR LESSOR

In consideration of this Lease and the rental charged Lessee therefor, Lessee agrees that Lessor shall not be responsible to Lessee for any damages to Lessee, his property, or any of Lessee's employees arising from the storage of aircraft, flood, windstorms, fires, or flight facilities or use of the airport by other persons.

SECTION 19 – FORCE MAJEURE

Neither Lessor nor Lessee shall be deemed to be in breach of this Lease Agreement by reason of failure to perform any of its obligations hereunder if while, and to the extent that such failure is due to embargoes, shortage of materials, acts of God, acts of superior governmental authority, floods, riots, rebellion, or any other similar circumstances for which it is not responsible, and which and not within its reasonable control.

SECTION 20 – INCONVENIENCE DURING CONSTRUCTION

Lessee recognizes that from time to time during the term of this Lease Agreement, it will be necessary for Lessor to initiate and carry forward extensive programs of construction, reconstruction, expansion, relocation (including complete relocation of the entire airport), maintenance and repair in order that the Vernal/Uintah County Airport and its facilities may be suitable for the volume and character of air traffic and flight activity which will require accommodation, and that such activities may inconvenience or temporarily interrupt Lessee and its operation at the Airport. Lessee agrees that no liability shall attach to Lessor, its officers, agents, employees, contractors, subcontractors, and representatives by reason of such inconvenience or interruption and for and in further consideration of the premises, Lessee waived any right to claim damages or other consideration therefor.

SECTION 21 – CHANGES IN CORPORATE PRINCIPAL OR PARTNERS

Prior to the commencement of this Lease Agreement, if applicable, Lessee shall submit to Lessor a copy of its Articles of Incorporation, articles of organization, including the names and addresses of its present principle owners, partners, shareholders, officers or directors as the case may be. During the term of this Lease Agreement, if any one or more of the principal owners, partners, shareholders, officers, or directors, shall no longer be principal owners of such cooperation, or partnership, then this Lease

Agreement shall automatically terminate unless written approval is made by the Lessor. Principal owner is defined as anyone who owns at least 30% of the controlling interest in the organization.

SECTION 22 – MECHANIC’S LIENS

Notice is hereby given that the Lessor shall not be liable for any labor or material furnished or to be furnished to the Lessee upon credit. No mechanic’s lien for any such labor or material shall attach to or affect the reversion of other estate or interest of Lessor in and to the demised premises. Whenever and as often as any mechanics lien shall have been filed against the premises, based upon any act or interest of the Lessee or anyone claiming through the Lessee, or if any financing statement or agreement of like import shall have been filed of or affecting any materials machinery or fixtures used in construction, repair or operation thereof, or annexed thereto by the Lessee, the Lessee shall forthwith take such action by bonding, deposit or payment as will satisfy the lien, or financing statement or agreement of like import.

SECTION 23 – DEFAULT

Each of the following events shall constitute a default or breach of this lease by lessee;

1. If Lessee, or any successor or assignee of Lessee while in possession, shall file bankruptcy or insolvency or for reorganization under any bankruptcy act, or shall voluntarily take advantage of any such act by answer or otherwise, or shall make an assignment for the benefit of creditors.
2. In the event Lessee shall engage in any unlawful activity or practice (except as herein specifically permitted) which hinders or interferes with the proper use and operation of the Airport,
3. If Lessee shall fail, refuse or neglect to pay the rent or other payments as herein provided.
4. If Lessee shall fail to perform or comply with any of the terms and conditions of this Lease Agreement, and if the noncompliance shall continue and not be corrected within 30 days.
5. If Lessee shall vacate or abandon the premises.
6. If this Lease or the estate of Lessee hereunder shall be transferred to or shall pass to or devolve on any other person or party except in the manner herein permitted.

SECTION 24 - EFFECT OF DEFAULT

In the event of any default hereunder, as set forth in Section Twenty Three, the rights of the Lessor shall be as follows:

1. Lessor shall become entitled to retake the leased property upon giving Lessee notice of such breach in writing at least thirty (30) days in advance. If at the end of such thirty (30) day period, Lessee fails to vacate the premises, Lessor may use such remedy as it may deem fit under the circumstances to retake the leased property, with or without process of law.
2. Further, in the event Lessee shall engage in any activity or practice (except as herein specifically permitted) which hinders or interferes with the proper use and operation of the Airport, then Lessor may order Lessee to forthwith cease and desist from such activity or practice, and should Lessee fail or comply with any such order, then Lessor may at its option, cancel and terminate this Lease Agreement immediately without the giving the afore-stated one hundred eighty (180) day notice of cancellation.
3. Further, in the event Lessee abandons the lease premises, Lessor may at its option, cancel and terminate this Lease Agreement or may without terminating the Lease Agreement, enter upon and take possession of the leased premises with or without process of law, without liability for trespass. Lessor may at its option require any or all improvements to be removed and any hazardous material to be cleaned up at Lessee's expense, or may negotiate with Lessee a fair price for any improvements or take possession of the premises in an "as is" condition.
4. Further, Lessor may elect, but shall not be obligated, to make payment required of Lessee herein or comply with any agreement, term or condition required hereby to be performed by Lessee, and Lessor shall have the right to enter the premises for the purpose of correcting or remedying any such default has been corrected or remedied, but any expenditure for the correction by the lessor shall not be deemed to waive or release the default of Lessee or the right of Lessor to take any action as may be otherwise permissible hereunder in the case of any default.
5. Lessor may re-enter the premises immediately and remove the property and personnel of Lessee, and store the property in a public warehouse or at a place selected by Lessor, at the expense of the Lessee. After re-entry Lessor may terminate the lease on giving 30 days written notice of termination to Lessee. On termination Lessor may recover from Lessee all damages proximately resulting from the breach, including the cost of recovering the premises, and the worth of the unpaid balance for the remainder of the lease term, which sum shall be immediately due Lesser from Lessee.

SECTION 25 – AIRPORT RULES AND REGULATIONS

In addition to all provisions of the Lease Agreement, Lessee agree to comply with the Vernal/Uintah County Airport Rules and Regulations as adopted and all amendments thereto. There shall be an annual review of this lease by the airport board in January of each year that the airport board may determine to its satisfaction the terms of this lease are complied with.

SECTION 26 – AGREEMENTS WITH THE UNITED STATES OR STATE OF UTAH

This Lease Agreement is subject and subordinate to the terms, reservations, restrictions, provisions and conditions of any existing or future agreements between Vernal/Uintah County Airport (Uintah County – Vernal City) and the United States or State of Utah relative to the operation or maintenance of the Airport and its appurtenant facilities, the execution of which has been or may be required as a condition precedent to the participation by any Federal or State Agency in the expansion or development of said Airport and facilities.

SECTION 27 – FEDERAL AVIATION ADMINISTRATION LEASE REQUIREMENTS

- A. The Lessee for himself, his personal representatives, successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree that:
- i) No person on the grounds of race, color or national origin shall be excluded from the participation in, denied the benefits of or otherwise subjected to discrimination in the use of said facilities.
 - ii) That in the construction of any improvements on, over, or under such land and the furnishing of service thereon, no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination.
 - iii) That the Lessee shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, office of the Secretary, Part 21, Nondiscrimination in Federally assisted programs on the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations be amended.

- B. Lessee shall furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof, and it shall charge fair reasonable and not unjustly discriminatory prices for each unit or services, provided that Lessee may be allowed to make reasonable nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchasers.
- C. Lessee shall make its accommodations and/or services available to the public on fair and reasonable terms without unjust discrimination on the basis of race, creed, color or national origin.
- D. Non-compliance with provisions A, B, and C above after written findings, shall constitute a material breach thereof and in the event of such non-compliance the Lessor shall have the right to terminate this lease and the estate hereby created without liability therefore or at the election of the Lessor or the United States either or both said Governments shall have the right to judicially enforce said Provisions A, B, and C.
- E. Lessee agrees that is shall insert the above four provisions in any lease by which Lessee grants a right to any person, firm or corporation to render accommodations and/or services to the public on the premises herein leased.
- F. Lessee agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulation in the event any future structure or building is planned for the leased premises or in the event of any plan, modification or alteration of any present or future building or structure situated on the leased premises.
- G. It is understood and agreed that nothing contained in this Lease Agreement shall be construed to grant or authorize the granting of an exclusive right or privilege within the meaning of Section 308 of the Federal Aviation Act.
- H. There is hereby reserved to the Lessor, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the leased premises, together with the right to cause in said airspace such noise an may be inherent in the operation of aircraft, now known or herein after used for navigation of or flight in the air, using the airspace for landing at, taking off from or operating at the Airport.
- I. Lessee, by accepting this Lease Agreement, expressly agrees for itself, its successors and assigns, that it will not erect nor permit the erection of nay structure or object nor permit the growth of any tree on the leased premises above that elevation set in the Uintah County Zoning Ordinance in the event that afore said covenant is breached, Lessor reserves the right to enter upon the

leased premises and to remove the offending structure or object and cut the tree, all of which shall be at the expense of the Lessee.

- J. Lessee, by accepting this Lease Agreement, expressly agrees for itself its successors and assigns, that it will not make use of the leased premises in any manner which might interfere with the landing and taking off of aircraft from the Airport or otherwise constitute a hazard. In the event the aforementioned covenant is breached, Lessor reserves the right to enter upon the leased premises and cause the abatement of such interference at the expense of the Lessee.

SECTION 28 – GOVERNING LAW

This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Utah. Any and all suits for any and every breach of this contract may be instituted and maintained in any court of competent jurisdiction in the County of Uintah, State of Utah.

SECTION 29 – SEVERABILITY

The partial or complete invalidity of any one or more provisions of this Agreement shall not affect the validity or continuing force and effect of any other provision.

SECTION 30 – ENTIRE AGREEMENT

This Agreement shall constitute the entire agreement between the parties. Any prior understanding or representation of any kind preceding the date of this Agreement shall not be binding upon either party except to the extent incorporated in this Agreement.

SECTION 31 – MODIFICATION OF AGREEMENT

Any modification of this Agreement or additional obligation assumed by either party in connection with this Agreement shall be binding only if evidenced in a writing signed by each party or an authorized representative of each party.

IN WITNESS WHEREOF, the parties hereto have caused this Lease Agreement to be executed as of the day and year first above written.

LESSOR:

Uintah County

Michael J. McKee
Chairperson

ATTEST:

Vernal City

Mayor

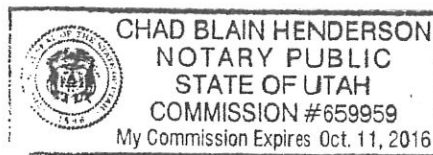
ATTEST:

LESSEE:

Tony Henderson
Tony Henderson, Managing Member

WITNESS

Tony Henderson appeared before
me on January 26th 2016



[Handwritten signature]

AGREEMENT

THIS AGREEMENT is made this 2nd day of March, 2016 by and between **VERNAL CITY** and **Dennis Judd** (hereinafter referred to as "Judd").

WHEREAS, Vernal City is desirous of entering into a written agreement with "Judd" whereby "Judd" will provide civil legal services for Vernal City; and,

WHEREAS, it is the desire of the parties to formalize their relationship;

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. CIVIL CITY ATTORNEY. "Judd" hereby agrees to act as legal counsel for Vernal City, thereby providing civil legal services for and in behalf of Vernal City and shall maintain a licensed law practice with premises in the geographical boundaries of the Ashley Valley within Uintah County. "Judd" shall not be an employee of Vernal City.

2. LEGAL SERVICES PROVIDED. "Judd" shall provide the following legal services to Vernal City:

- A. Review and rewrite, as necessary, Vernal City criminal and civil ordinances.
- B. Act as legal advisor to City officials regarding City civil matters and draft civil legal documents.
- C. Act as attorney for Vernal City on civil litigation when Vernal City is not covered by liability insurance.
- D. Provide all necessary clerical support and office facilities in order to perform duties as stated above. It is hereby agreed by and between the parties that all the duties as set forth herein, shall be directed through the Vernal City Manager or by assignment from the Mayor and City Council acting as a quorum.

E. In situations where a conflict of interest may occur with different officers or departments of Vernal City, "Judd" shall act primarily as attorney for the Vernal City Council and will not act as attorney for any of the officers or departments with whom the conflict exists and shall not give any advice or counsel to the same relating to the conflict.

F. Further, in situations when a conflict of interest may occur in the performance of these duties, "Judd" shall immediately notify Vernal City of such conflict and advise Vernal City as to the available options to remedy such conflicts.

G. While "Judd" acts as legal counsel for Vernal City in civil matters, "Judd" will not represent any governmental entity or other political subdivision of the State of Utah, excepting those as shown on Attachment I of this agreement, without prior consent of the Vernal City Council.

3. CITY OBLIGATION. The City agrees to pay for the services of the "Judd" as follows:

A. Vernal City will pay "Judd" compensation at the rate of ONE THOUSAND FIVE HUNDRED (\$1,500.00) DOLLARS per month. In addition, at the conclusion of every three-month period for the term of this agreement, Vernal City shall compensate "Judd" at the rate of one hundred (\$100.00) dollars per hour for all hours worked over forty-five (45) hours during that three-month period. Billings prepared by "Judd" showing hours worked shall be reviewed and approved by the Vernal City Manager prior to payment.

B. Vernal City agrees to pay all reasonable and necessary costs incurred by "Judd" in the fulfillment of his duties, including filing costs, service costs, witness costs, deposition costs, travel and transportation costs at Vernal City per diem rates, research costs, telephone, copying and other costs as pre-approved by the City Manager.

C. Vernal City agrees to name "Judd" as an insured in its comprehensive general liability policy for all acts associated with his duties as outlined in Section 2 of this agreement.

4. TERM. The term of this agreement shall be for a period of July 1, 2015 and terminating after June 30, 2017, subject, however, to prior termination as hereinafter provided or extended as hereinafter provided. Any time after May 1, 2017 and prior to June 30, 2017, this agreement may be renegotiated by both parties providing for an extended period beyond June 30, 2017 by formal action of the Vernal City Council and concurrence of such action in writing by "Judd". However, if the parties hereto cannot agree as to the terms and conditions of a renegotiated agreement, this agreement shall be considered terminated after June 30, 2017.

5. PAYMENT. Payment for services, pursuant to this agreement, shall be made by the City on the tenth day of each month that services will be provided. The City agrees to make reimbursement for costs and expenses promptly upon being billed.

6. TERMINATION.

A. Upon written approval of both parties, this agreement may be terminated for any reason seen fit by both parties agreeing to such.

B. In the event that "Judd" discontinues practicing law in the City of Vernal, State of Utah, then this agreement shall terminate upon thirty (30) days written notice to the City indicating that said "Judd" intends to terminate the practice of law in Vernal, Utah.

C. This agreement may be immediately terminated by Vernal City for cause in the event that "Judd" fails to substantially perform his duties as outlined herein.

7. **MODIFICATION.** No waiver or modification of this agreement or of any covenant, condition or limitation herein contained shall be valid unless in writing and duly executed by the party to be charged therewith.

8. **SUCCESSORS.** It is mutually agreed and covenanted that the provisions of this agreement shall be binding on the successors of Vernal City, its City Council, Mayor and other City officials.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year first above written.

VERNAL CITY:

Sonja Norton, Mayor

ATTEST:

Kenneth L. Bassett, City Recorder

(S E A L)

Dennis Judd

**Governmental Entity or Other Political Subdivision
Represented by Dennis Judd**

1. Naples City Attorney
2. Uintah School District - Legal Counsel
3. Ute Housing Authority- Legal Counsel
4. Northeastern Counseling Center - Legal Counsel
5. Daggett County Boundary Commission - Legal Counsel
6. Daggett County - Legal Counsel
7. Daggett County Road District

**AGREEMENT FOR PUBLIC DEFENDER SERVICES
for Vernal City**

This agreement entered into this 2nd day of March, 2016 by and between Vernal City a subdivision of the State of Utah, hereinafter referred to as "CITY", and Law Office of Lance E. Dean, attorney at law residing in the State of Utah, hereinafter referred to as "ATTORNEY".

WHEREAS, the CITY in accordance with the laws of the State of Utah, is required to furnish legal defense for Vernal City defendants in cases presented in the Vernal City Justice Court in Uintah County, Utah which defendants are indigent and are unable to obtain defense counsel in criminal cases.

NOW, THEREFORE, the CITY hereby enters into the following agreement:

1. This agreement shall take effect on July 1, 2015 and shall continue in operation through the last day of June, 2017. Either party has the right to withdraw from this contract upon providing a 45-day written notice of termination to the other party.

2. The CITY hereby agrees to pay ATTORNEY the sum of Two thousand-two hundred and fifty dollars (\$2,250.00) per month in monthly payments to be paid by the CITY to ATTORNEY on the 10th day of each month following the month when services are rendered. Further, the CITY shall compensate ATTORNEY for actual copying fees, document filing fees, subpoena fees, discovery fees, and witness fees incurred in the course of providing said services. Billings for copying, filing fees, discovery fees, subpoena fees and witness costs shall be itemized and submitted to the CITY by the 20th day of each month, payment to be made on the 10th day of the following month. Travel costs outside of Uintah County associated with services rendered shall be paid only after being approved by the City Manager.

3. In exchange for the payments agreed to be made herein by the CITY, ATTORNEY hereby agrees to provide legal defense for all Vernal City indigent defendants in the Vernal City Justice Court in Uintah County, subject to the exceptions listed herein.

4. ATTORNEY agrees to be in Vernal, Utah to appear with his client for all court appearances and to provide legal services to clients as defined herein, unless otherwise authorized by the City.

5. ATTORNEY agrees to provide a twenty-four (24) hour per day local, phone access to clients during the course of this agreement period and at no cost to the CITY.

6. ATTORNEY will not be required to provide legal defense for indigent defendants when the judge presiding over the case, in his discretion, disqualifies ATTORNEY because of a conflict of interest.

7. Costs to provide indigent defense counsel in higher State or Federal courts shall be negotiated with the CITY on a case-by-case basis.

8. ATTORNEY, in consideration of the amount paid, will prepare all necessary documents as required by State law in conjunction with writs of habeas corpus, all appearances at arraignments, preliminary hearings, trials and other appearances requested by the Courts.

9. ATTORNEY is hereby retained in the capacity of an independent contractor and not as an employee of the CITY.

10. It is specifically understood that ATTORNEY will accept no other payment for the work provided herein other than that received from the CITY pursuant to said contract. In the event the court orders restitution for attorney fees from said indigent, then all said restitution shall be paid to the CITY.

11. ATTORNEY hereby agrees to provide competent legal services to indigent defendants in accordance with the Utah and United States Constitutions and the Code of Professional Ethics.

12. Upon termination of this agreement, ATTORNEY agrees to turn all files relative to services rendered under the provisions of this agreement over to the CITY.

13. ATTORNEY shall comply with all terms of the employment verification requirements of the State of Utah. (Utah Code Annotated 63G-11-103)

IN WITNESS WHEREOF, the parties have executed this agreement on the day and year first above written.

VERNAL CITY:

Sonja Norton, Mayor

ATTEST:

Kenneth L. Bassett, City Recorder

ATTORNEY:
Lance E. Dean, ESQ.

(S E A L)

Signature

Mailing Address

AGREEMENT

THIS AGREEMENT is made this 2nd of March, 2015, by and between **VERNAL CITY** and **ALLRED, BROTHERRSON & HARRINGTON, P.C.** (hereinafter referred to as "Attorney").

WHEREAS, Vernal City is desirous of entering into a written agreement with "Attorney" whereby "Attorney" will provide prosecutory legal services for Vernal City; and,

WHEREAS, it is the desire of the parties to formalize their relationship;

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. **CITY PROSECUTOR.** "Attorney" hereby agrees to act as City Prosecuting Attorney, with Michael Harrington serving as the Chief Prosecutor, with Clark Allred and Brad Brotherson as secondary prosecutors, providing prosecuting legal services for and in behalf of Vernal City and shall maintain a licensed law practice with premises in the geographical boundaries of the Ashley Valley within Uintah County. "Attorney" shall not be an employee of Vernal City.

2. **CITY PROSECUTOR DUTIES.** The "Attorney" shall provide the following legal services:

A. Pursue all necessary prosecutions in the Vernal City Justice Court and appeals there from for violations of City ordinances and draft pleadings relating thereto.

B. Provide legal advice and training to the Vernal City Police Department in its enforcement of all City ordinances.

C. Provide all necessary clerical support and office facilities in order to perform duties as stated above.

D. In situations where a conflict of interest may occur in the performance of these duties, "Attorney" shall immediately notify the City of such conflicts and advise the City as to available options in remedying such conflicts.

3. CITY OBLIGATION. The City agrees to pay for the services of the "Attorney" as follows:

A. The City will pay "Attorney" compensation at the rate of EIGHT THOUSAND DOLLARS (\$8,000.00) per month up until December 31, 2015. Beginning January 1, 2016, the rate will be SIX THOUSAND TWO HUNDRED AND FIFTY DOLLARS (\$6,250.00) per month.

B. The City agrees to pay all reasonable and necessary costs incurred by "Attorney" in the fulfillment of his duties, including but not limited to, filing costs, service costs, witness costs, deposition costs, travel costs at Vernal City per diem rates, research costs, telephone, copying and other costs as pre-approved by the City Manager.

C. The City agrees to name "Attorney" as an insured in its comprehensive general liability policy for all acts of his duties as outlined in Section 2 of this agreement.

D. The City shall provide a continuing education allowance of one thousand (\$1000.00) dollars a year for an attorney to be used in transportation, costs, tuition, and fees associated with seminars and training related to Vernal City prosecution services.

4. TERM. The term of this agreement shall be for the period of July 1, 2015 and terminating June 30, 2017: subject, however, to prior termination as hereinafter provided or extended as hereinafter provided. The terms of this contract will be reviewed in April, 2017. Any time after May 1, 2017 and prior to June 30, 2017, this agreement may be renegotiated by both parties providing for an extended period beyond June 30, 2017 by formal action of the Vernal City Council and concurrence of such action in writing by "Attorney". However, if the parties hereto cannot agree as to the terms and conditions of a renegotiated agreement, this agreement shall be considered terminated after June 30, 2017.

5. PAYMENT. Payment for services, pursuant to this agreement, shall be made by the City on the tenth day of each month that services will be provided. The City agrees to make reimbursement for costs and expenses promptly upon being billed.

6. TERMINATION.

A. Upon written approval of both parties, this agreement may be terminated for any reason seen fit by both parties agreeing to such.

B. In the event that "Attorney" discontinues practicing law in the City of Vernal, State of Utah, then this agreement shall terminate upon thirty (30) days written notice to the City indicating that said "Attorney" intends to terminate the practice of law in Vernal, Utah.

C. This agreement may be immediately terminated by Vernal City for cause in the event that "Attorney" fails to substantially perform his duties as outlined herein.

7. MODIFICATION. No waiver or modification of this agreement or of any covenant, condition or limitation herein contained shall be valid unless in writing and duly executed by the party to this agreement.

8. SUCCESSORS. It is mutually agreed and covenanted that the provisions of this agreement shall be binding on the successors of Vernal City, its City Council, Mayor and other City officials.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year first above written.

VERNAL CITY:

ATTEST:

Sonja Norton, Mayor

Kenneth L. Bassett, City Recorder

(S E A L)

PROSECUTING ATTORNEY:

Attorney Signature



CONTRACT NO.	
CONTRACTOR:	Vernal City
VENDOR NO.	05888C
PROJECT NAME:	Water & Sewer Utility Improvements
AWARD NUMBER:	FUND5285-16
CFDA #/TITLE:	N/A
CONTRACT ORIGINATOR:	Gayle Gardner
FEDERAL AGENCY:	N/A

CONTRACT
DEPARTMENT OF WORKFORCE SERVICES
HOUSING & COMMUNITY DEVELOPMENT DIVISION
1385 S. State, Salt Lake City, UT 84115

1. PARTIES: This contract is between the DEPARTMENT OF WORKFORCE SERVICES:
Permanent Community Impact Fund (CIB)

(Board or Program)

Referred to as STATE, and the following CONTRACTOR

Vernal City

Name

374 East Main

Address

Vernal

Utah

84078

City

State

Zip

Kenneth Bassett

435-789-2255

435-789-2256

Contact

Phone #

Fax #

2. GENERAL PURPOSE OF CONTRACT:

Water & Sewer Utility Improvements

3. CONTRACT PERIOD: Commencing on 02/04/2016 and terminating on 01/31/2018

4. CONTRACT COSTS: CONTRACTOR will be paid a maximum of \$933,376.00 , pursuant to the budget attached hereto as Attachment C

5. ATTACHMENTS:

- ✓ ATTACHMENT A – GENERAL PROVISIONS
- ✓ ATTACHMENT B - PROGRAM GENERAL CONDITIONS
- ✓ ATTACHMENT C – BUDGET
- ✓ ATTACHMENT D – SCOPE OF WORK

Execution

IN WITNESS WHEREOF, the parties sign and cause this contract to be effective as of the date indicated below by the Utah State Division of Finance.

CONTRACTOR

APPROVED:

Vernal City

Name

BY: _____

Signature

STATE

APPROVED HOUSING & COMMUNITY
DEVELOPMENT DIVISION

Jonathan D. Hardy, Director

Name

Title

WITNESS

Signature

Name

Title

APPROVED DIVISION OF FINANCE

Execution Date:

ATTACHMENT A

GENERAL PROVISIONS FOR HOUSING AND COMMUNITY DEVELOPMENT

This is for an agreement pursuant to a grant, sub-grant, MOU or loan.

1. DEFINITIONS: The following terms shall have the meanings set forth below:

- a) "Confidential Information" means information that is deemed as confidential under applicable state and federal laws, including personal information. The State Entity reserves the right to identify, during and after this Contract, additional reasonable types of categories of information that must be kept confidential under federal and state laws.
- b) "Contract" means the contract signature Page(s), including all referenced attachments and documents incorporated by reference. The term "Contract" may include any purchase orders that result from this Contract.
- c) "Contract Signature Page(s)" means the State cover page(s) that the State Entity and Contractor sign.
- d) "Contractor", "Sub-Recipient" or "Loan Recipient" means the individual or entity identified in this Contract. The term "Contractor", "Sub-Recipient" or "Loan Recipient" shall include Contractor's, Sub-Recipient's or Loan Recipient's agents, officers, employees, and partners.
- e) "Services" means the furnishing of labor, time, or effort by Contractor's, Sub-Recipient's or Loan Recipient's pursuant to this Contract. Services include, but are not limited to, all of the deliverable(s) (including supplies, equipment, or commodities) that result from Contractor's, Sub-Recipient's or Loan Recipient's performing the Services pursuant to this Contract. Services include those professional services identified in Section 63G-6a-103 of the Utah Procurement Code.
- f) "Proposal" means Contractor's, Sub-Recipient's or Loan Recipient's response to the State Entity's Solicitation.
- g) "Solicitation" means the documents used by the State Entity to obtain Contractor's Proposal.
- h) "State Entity" means the department, division office, bureau, agency, or other organization identified on the Contract Signature Page(s).
- i) "State" means the State of Utah, in its entirety, including its institutions, agencies, departments, divisions, authorities, instrumentalities boards, commissions, elected or appointed officers, employees, agents, and authorized volunteers.
- j) "Subcontractors" means subcontractors or sub consultants at any tier that are under the direct or indirect control or responsibility of the Contractor, Sub-Recipient or Loan Recipient, and includes all independent contractors, agents, employees, authorized resellers, or anyone else for whom the Contractor, Sub-Recipient or Loan Recipient may be liable at any tier, including a person or entity that is, or will be providing or performing an essential aspect of this Contract, including Contractor's, Sub-Recipient's or Loan Recipient's manufactures, distributors, and suppliers.

2. AUTHORITY: Provisions of this contract are pursuant to the authority set forth in Section 63G-6, Utah Code Annotated, 1953, as amended, Utah State Procurement Rules (Utah Administrative Code Section R33), and related statutes which permit the State to purchase certain specified services, and other approved purchases by the State.

3. CONTRACT JURISDICTION, CHOICE OF LAW AND VENUE: The provisions of this contract shall be governed by the laws of the State. The parties shall submit to the jurisdiction of the courts of the State for any dispute arising out of this Contract or the breach thereof. Venue shall be in Salt Lake City, in the Third Judicial District Court for Salt Lake County.

4. LAWS AND REGULATIONS: The Contractor, Sub-Recipient or Loan Recipient and any and all supplies, services, equipment, and construction proposed and furnished under this contract will comply fully with all applicable Federal and State laws and regulations.

5. PROJECT COMPLETION: The Contractor, Sub-Recipient or Loan Recipient shall complete the project described in Scope of Work within the contract period shown on page 1 of this Contract.

6. RECORDS ADMINISTRATION: The Contractor, Sub-Recipient or Loan Recipient shall maintain, or supervise the maintenance of all records necessary to properly account for the payments made to the Contractor, Sub-Recipient or Loan Recipient pursuant to this Contract. The records shall be retained by the Contractor, Sub-Recipient or Loan Recipient for at least four years after the Contract terminates, or until all audits initiated within the four years, have been completed, whichever is later. The Contractor, Sub-Recipient or Loan Recipient agrees to allow State and Federal auditors, and State Agency Staff, access to all records related to this Contract, for audit, inspection, and monitoring of services. Such access will be during normal business hours, or by appointment.

7. CONFLICT OF INTEREST: Contractor, Sub-Recipient or Loan Recipient represents that none of its officers or employees are officers or employees of the State, unless disclosure has been made in accordance with §67-16-8, Utah Code Annotated, 1953, as amended. Contractor, Sub-Recipient or Loan Recipient certifies that it has not offered or given any gift or compensation prohibited by the laws of the State to any officer or employee of the State or participating political subdivisions to secure favorable treatment with respect to being awarded this contract.

8. CONTRACTOR, SUB-RECIPIENT OR LOAN RECIPIENT AN INDEPENDENT CONTRACTOR: The Contractor, Sub-Recipient or Loan Recipient shall be an independent Contractor, and as such, shall have no authorization, express or implied, to bind the State to any agreements, settlements, liability, or understanding whatsoever, and agrees not to perform any acts as agent for the State, except as herein expressly set forth. Compensation stated herein shall be the total amount payable to the Contractor by the State. The Contractor, Sub-Recipient or Loan Recipient shall be responsible for the payment of all income tax and social security tax due as a result of payments received from the State for the Contract services. Persons employed by the State and acting under the direction of the State shall not be deemed to be employees or agents of the Contractor, Sub-Recipient or Loan Recipient.

9. INDEMNITY: Contractor, Sub-Recipient or Loan Recipient shall be fully liable for the actions of its agents, employees, officers, partners, and Subcontractors, and shall fully indemnify, defend, and save harmless the State Entity and the State of Utah from all claims, losses, suits, actions, damages, and costs of every name and description arising out of Contractor, Sub-Recipient or Loan Recipient's performance of this Contract caused by any intentional act or negligence of Contractor, Sub-Recipient or Loan Recipient, its agents, employees, officers, partners, or Subcontractors, without limitation; provided, however, that the Contractor, Sub-Recipient or Loan Recipient shall not indemnify for that portion of any claim, loss, or damage arising hereunder due to the sole fault of the State Entity. The parties agree that if there are any limitations of the Contractor, Sub-Recipient or Loan Recipient's liability, including a limitation of liability clause for anyone for whom the Contractor, Sub-Recipient or Loan Recipient is responsible, such limitations of liability will not apply to injuries to persons, including death, or to damages to property.

10. EMPLOYMENT PRACTICES CLAUSE: The Contractor, Sub-Recipient or Loan Recipient agrees to abide by the provisions of Title VI and VII of the Civil Rights Act of 1964 (42 USC 2000e) which prohibits discrimination against any employee or applicant for employment or any applicant or recipient of services, on the basis of race, religion, color, or national origin; and further agrees to abide by Executive Order No. 11246, as amended, which prohibits discrimination on the basis of sex; 45 CFR 90 which prohibits discrimination on the basis of age; and Section 504 of the Rehabilitation Act of 1973, or the Americans with Disabilities Act of 1990 which prohibits discrimination on the basis of disabilities. Also, the Contractor, Sub-Recipient or Loan Recipient agrees to abide by Utah's Executive Order, dated December 13, 2006, which prohibits sexual harassment in the work place.

11. DEBARMENT: The Contractor, Sub-Recipient or Loan Recipient certifies that neither it nor its principals are presently or have ever been debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction (contract), by any governmental department or agency. If the Contractor, Sub-Recipient or Loan Recipient cannot certify this statement, attach a written explanation for review by the State. The Contractor, Sub-Recipient or Loan Recipient must notify the State Director of Purchasing within 30 days if debarred by any governmental entity during the Contract period.

12. TERMINATION: Unless otherwise stated in the Special Terms and Conditions, this contract may be terminated, with cause by either party, in advance of the specified termination date, upon written notice being given by the other party. The party in violation will be given ten (10) working days after notification to correct and cease the violations, after which the Contract may be terminated for cause. This Contract may be terminated without cause, in advance of the specified expiration date, by either party, upon 60 days prior written notice being given the other party. On termination of this Contract, all accounts and payments will be processed according to the financial arrangements set forth herein for approved services rendered to date of termination.

13. NONAPPROPRIATION OF FUNDS, OR CHANGES IN LAW:

13.1 Upon thirty (30) days written notice delivered to the Contractor, Sub-Recipient or Loan Recipient, this Contract may be terminated in whole or in part at the sole discretion of the State, if the State reasonably determines that a change in Federal or State legislation or applicable laws materially affects the ability of either party to perform under the terms of the contract.

13.2 Upon thirty (30) days written notice delivered to the Contractor, Sub-Recipient or Loan Recipient, this Contract may be terminated in whole or in part, or have the services and purchase obligations of the State proportionately reduced, at the sole discretion of the State, if the State reasonably determines that a change in available funds affects the State's ability to pay under the Contract. A change of available funds as used in this paragraph, includes, but is not limited to, a change in Federal or State funding, whether as a result of a legislative act or by order of the President or the Governor.

13.3 If a notice is delivered under paragraph 1 or 2 of this Section 13 "NONAPPROPRIATION OF FUNDS, REDUCTION OF FUNDS, OR CHANGES IN LAW", the State will reimburse the Contractor, Sub-Recipient or Loan Recipient for products properly delivered or services properly performed up until the effective date of said notice. The State will not be liable for any performance, commitments, penalties, or liquidated damages that accrue after the effective date of said notice.

13.4 Notwithstanding any other paragraph or provision of the Section 13 NONAPPROPRIATION OF FUNDS, REDUCTION OF FUNDS, OR CHANGES IN LAW", if the State in said notice to the Contractor, Sub-Recipient or Loan Recipient indicates that the Contractor, Sub-Recipient or Loan Recipient is to immediately cease from placing any orders or commitments with suppliers, subcontractor or other third parties, the Contractor, Sub-Recipient or Loan Recipient shall immediately cease such orders or commitments upon receipt of said notice and the State shall not be liable for any such orders or commitments made after the receipt of said notice.

14. WARRANTY: The Contractor, Sub-Recipient or Loan Recipient warrants that (a) all services shall be performed in conformity with the requirements of this Contract by qualified personnel in accordance with generally recognized standards; and (b) all goods or products furnished pursuant to this Contract shall be free from defects and shall conform to contract requirements. The Contractor, Sub-Recipient or Loan Recipient agrees to warrant and assume responsibility for all products (including hardware, firmware, and/or software products) that it licenses, contracts, or sells to the State under this contract for a period of one year, unless otherwise specified and mutually agreed upon elsewhere in this contract. The Contractor, Sub-Recipient or Loan Recipient acknowledges that all warranties granted to the buyer by the Uniform Commercial Code of the State apply to this contract. Product liability disclaimers and/or warranty disclaimers from the seller are not applicable to this contract unless otherwise specified and mutually agreed upon elsewhere in this contract. In general, the Contractor warrants that: (1) the product will do what the salesperson said it would do, (2) the product will live up to all specific claims that the manufacturer makes in their advertisements, (3) the product will be suitable for the ordinary purposes for which such product is used, (4) the product will be suitable for any special purposes that the State has relied on the Contractor's skill or judgment to consider when it advised the State about the product, (5) the product has been properly designed and manufactured, and (6) the product is free of significant defects or unusual problems about which the State has not been warned. Remedies available to the State include the following: The Contractor, Sub-Recipient or Loan Recipient will repair or replace (at no charge to the State) the product whose nonconformance is discovered and made known to the Contractor, Sub-Recipient or Loan Recipient in writing. If the repaired and/or replaced product proves to be inadequate, or fails of its essential purpose, the Contractor, Sub-Recipient or Loan Recipient will refund the full amount of any payments that have been made. Nothing in this warranty will be construed to limit any rights or remedies the State may otherwise have under this contract.

15. PAYMENT: Payments are to be made within thirty (30) days after a correct invoice is received. All payments to Contractor, Sub-Recipient or Loan Recipient will be remitted by mail, electronic funds transfer, or the State's Purchasing card (major credit card). If payment has not been made after sixty (60) days from the date a correct invoice is received by the State Entity, then interest may be added by Contractor, Sub-Recipient or Loan Recipient as prescribed in the Utah Prompt Payment Act. The acceptance by Contractor, Sub-Recipient or Loan Recipient of final payment, without a written protest filed with the State from all claims and all liability to the Contractor, Sub-Recipient or Loan Recipient. The State Entity payment for the Services shall not be deemed an acceptance of the Services and is without prejudice to any and all claims that the State Entity or the State may have against Contractor, Sub-Recipient or Loan Recipient.

16. INDEMNIFICATION RELATING TO INTELLECTUAL PROPERTY: Contractor, Sub-Recipient or Loan Recipient will indemnify and hold the State Entity and State harmless from and against any and all damages, expenses (including reasonable attorney's fees), claims, judgments, liabilities, and costs in any action or claim brought against the State Entity or the State for infringement of third party's copyright, trademark, trade secret, or other proprietary right. The parties agree that if there are any limitations of Contractor, Sub-Recipient or Loan Recipient's liability, such limitations of liability will not apply to this section.

17. ASSIGNMENT/SUBCONTRACT: Contractor, Sub-Recipient or Loan Recipient will not assign, sell, transfer, subcontract or sublet rights, or delegate responsibilities under this contract, in whole or in part, without the prior written approval of the State.

18. UNUSED FUNDS: Any funds authorized by the State that are not used in the completion of Scope of Work must be returned to the State.

19. INELIGIBLE EXPENSES: Contractor, Sub-Recipient or Loan Recipient expenditures under this Contract determined by audit to be ineligible for reimbursement because they were not authorized by the terms and conditions of the Contract, or that are inadequately documented, and for which payment has been made to the Contractor, Sub-Recipient or Loan Recipient will be immediately refunded to the State by the Contractor, Sub-Recipient or Loan Recipient. The Contractor, Sub-Recipient or Loan Recipient further agrees that the State shall have the right to withhold any or all subsequent payments under this or other Contracts to the Contractor, Sub-Recipient or Loan Recipient until the recoupment of overpayments is made.

20. PUBLIC INFORMATION: Contractor, Sub-Recipient or Loan Recipient agrees that this Contract, related purchase orders, related pricing documents, and invoices will be public documents and may be available for public and private distribution in accordance with the State's Government Records Access and Management Act (GRAMA). Contractor, Sub-Recipient or Loan Recipient gives the State Entity and the State express permission to make copies of this Contract, related sales orders, related pricing documents, and invoices in accordance with GRAMA. Except for sections identified in writing by contractor and expressly approved by the State Division of Purchasing and General Services, Contractor, Sub-Recipient or Loan Recipient also agrees that the Contractor, Sub-Recipient or Loan Recipient's Proposal to the Solicitation will be a public document, and copies may be given to the public as permitted under GRAMA. The State Entity and the State are not obligated to inform Contractor, Sub-Recipient or Loan Recipient of any GRAMA requests for disclosure of this Contract, related purchase order, related pricing documents, or invoices.

21. PROCUREMENT ETHICS: Contractor, Sub-Recipient or Loan Recipient understands that a person who is interested in any way in the sale of any supplies, services, construction, or insurance to the State is violating the law if the person gives or offers to give any compensation, gratuity, contribution, loan, reward, or any promise thereof to any person acting as a procurement officer on behalf of the State, or to any person in any official capacity participates in the procurement of such supplies, services, construction, or insurance, whether it is given for their own use or for the use or benefit of any other person or organization.

22. REMEDIES: Any of the following events will constitute cause for the State Entity to declare Contractor, Sub-Recipient or Loan Recipient in default of this Contract: (i) Contractor, Sub-Recipient or Loan Recipient's non-performance of its contractual requirements and obligations under this Contract; or (ii) Contractor, Sub-Recipient or Loan Recipient's material breach of any term or condition of this Contract. The State Entity may issue a written notice of default providing a ten (10) day period in which Contractor, Sub-Recipient or Loan Recipient will have an opportunity to cure. Time allowed for cure will not diminish or eliminate Contractor's liability for damages. If the default remains after Contractor, Sub-Recipient or Loan Recipient has been provided the opportunity to cure, the State Entity may do one or more of the following: (i) exercise any remedy provided by law or equity; (ii) terminate this Contract; (iii) impose liquidated damages, if liquidated damages are listed in this Contract; (iv) debar/suspend Contractor, Sub-Recipient or Loan Recipient from receiving future Contracts from the State Entity or the State; or (v) demand a full refund of any payment that the State Entity has made to Contractor, Sub-Recipient or Loan Recipient under this Contract for services that do not conform to this Contract.

23. FORCE MAJEURE: Neither party to this contract will be held responsible for delay or default caused by fire, riot, acts of God and/or war which is beyond that party's reasonable control. The State may terminate this Contract after determining such delay or default will reasonably prevent successful performance of the Contract.

24. CONFLICT OF TERMS: Terms and Conditions that apply must be in writing and attached to the Contract. No other Terms and Conditions will apply to this Contract. In the event of any conflict in the Contract terms and conditions, the order of precedence shall be: 1). Attachment A: State Standard Contract Terms and Conditions; 2). State Contract Signature Page(s); 3). Additional State Terms and Conditions; 4) Contractor, Sub-Recipient or Loan Recipient Terms and Conditions.

25. ENTIRE AGREEMENT: This Agreement, including all Attachments, and documents incorporated hereunder, constitutes the entire agreement between the parties with respect to the subject matter, and supersedes any and all other prior and contemporaneous agreements and understandings between the parties, whether oral or written. The terms of this Agreement shall supersede any additional or conflicting terms or provisions that may be set forth or printed on the Contractor, Sub-Recipient or Loan Recipient's work plans, cost estimate forms, receiving tickets, invoices, or any other related standard forms or documents of the Contractor, Sub-Recipient or Loan Recipient that may subsequently be used to implement, record or invoice services hereunder from time to time, even if such standard forms or documents have been signed or initialed by a representative of the State. The parties agree that the terms of this Agreement shall prevail in any dispute between the terms of the Agreement and terms printed on any such standard forms or documents, and such standard forms or documents shall not be considered written amendment of this Agreement.

26. AMENDMENTS: This Contract may only be amended by the mutual written agreement of the parties, which amendment will be attached to this Contract. Automatic renewals will not apply to this Contract, even if listed elsewhere in the contract.

27. ACCOUNTING REPORTS: The governing board of the Contractor, Sub-Recipient or Loan Recipient is responsible to ensure that Contractor, Sub-Recipient or Loan Recipient complies with the accounting reporting requirements in Utah Code §51-2a-201 enacted by Chapter 206, 2004 General Session.

28. INSURANCE: Contractor, Sub-Recipient or Loan Recipient shall at all times during the term of this Contract, without interruption, carry and maintain commercial general liability insurance from an insurance company authorized to do business in the State. The limits of this insurance will be no less than one million dollars (\$1,000,000) per occurrence and three million dollars (\$3,000,000) aggregate. Contractor, Sub-Recipient or Loan Recipient also agrees to maintain any other insurance policies required in the Solicitation. Contractor shall provide proof of the general liability insurance policy and other required insurance policies to the State Entity within thirty (30) days of contract award. Contractor, Sub-Recipient or Loan Recipient must add the State as an additional insured with notice of cancellation. Failure to provide proof of insurance as required will be deemed a material breach of this Contract. Contractor, Sub-Recipient or Loan Recipient's failure to maintain this insurance requirement for the term of this Contract will be grounds for immediate termination of this Contract.

29. CERTIFY REGISTRATION AND USE OF EMPLOYMENT STATUS VERIFICATION SYSTEM:

The Status Verification System, also referred to as "E-verify", only applies to contracts issued through a Request for Proposal process, and to sole sources that are included within a Request for Proposal. It does not apply to Invitation to Bids nor the Multi-Step Process.

29.1 Status Verification System

1. Each offeror and each person signing on behalf of any offeror certifies as to its own entity, under penalty of perjury, that the named Contractor, Sub-Recipient or Loan Recipient has registered and is participating in the Status Verification System to verify the work eligibility status of the Contractor, Sub-Recipient or Loan Recipient's new employees that are employed in the State in accordance with applicable immigration laws including UCA Section 63G-12-302.

2. The Contractor, Sub-Recipient or Loan Recipient shall require that the following provision be placed in each subcontract at every tier. "The subcontractor shall certify to the main (prime or general) Contractor, Sub-Recipient or Loan Recipient by affidavit that the subcontractor has verified through the Status Verification System the employment status of each new employee of the respective subcontractor, all in accordance with applicable immigration laws including UCA Section 63G-12-302 and to comply with all applicable employee status verification laws. Such affidavit must be provided prior to the notice to proceed for the subcontractor to perform the work."

3. The State will not consider a proposal for award, nor will it make any award where there has not been compliance with this Section.

4. Manually or electronically signing the Proposal is deemed the Contractor, Sub-Recipient or Loan Recipient's certification of compliance with all provisions of this employment status verification certification required by all applicable status verification laws including UCA Section 63G-12-302.

29.2 Indemnity Clause for Status Verification System

1. Contractor, Sub-Recipient or Loan Recipient (includes, but is not limited to any Contractor, Sub-Recipient or Loan Recipient, Design Professional, Designer or Consultant) shall protect, indemnify and hold harmless, the State and its officers, employees, agents, representatives and anyone that the State may be liable for, against any claim, damages or liability arising out of or resulting from violations of the above Status Verification System Section whether violated by employees, agents, or contractors of the following: (a) Contractor, Sub-Recipient or Loan Recipient; (b) Subcontractor at any tier; and/or (c) any entity or person for whom the Contractor, Sub-Recipient or Loan Recipient or Subcontractor may be liable.

2. Notwithstanding Section 2 (AUTHORITY) above, Design Professionals or Designers under direct contract with the State shall only be required to indemnify the State for a liability claim that arises out of the design professional's services, unless the liability claim arises from the Design Professional's negligent act, wrongful act, error or omission or other liability imposed by law except that the design professional shall be required to indemnify the State in regard to subcontractors or sub-consultants at any tier that are under the direct or indirect control or responsibility of the Design Professional, and includes all independent contractors, agents, employees or anyone else for whom the Design Professional may be liable at any tier.

30. SUSPENSION OF WORK: Should circumstances arise which would cause the State Entity to suspend Contractor, Sub-Recipient or Loan Recipient's responsibilities under this Contract, but not terminate this Contract, this will be done by written notice. Contractor, Sub-Recipient or Loan Recipient's responsibilities may be reinstated upon advance formal written notice from the State Entity.

31. WORKERS' COMPENSATION INSURANCE: Contractor, Sub-Recipient or Loan Recipient shall maintain during the term of this Contract, workers' compensation insurance for all its employees as well as any Subcontractor employees related to this Contract. Workers' compensation insurance shall cover full liability under the workers' compensation laws of the jurisdiction in which the service is performed at the statutory requirements by said jurisdiction. Contractor, Sub-Recipient or Loan Recipient acknowledges that within (30) days of contract award, Contractor, Sub-Recipient or Loan Recipient must submit proof of certificate of insurance that meets the above requirements.

32. ACCEPTANCE AND REJECTION: The State Entity shall have thirty (30) days after the performance of the Services to perform an inspection of the Services to determine whether the Services conform to the standards specified in the Solicitation and this Contract prior to acceptance of the Services by the State Entity.

If Contractor, Sub-Recipient or Loan Recipient delivers nonconforming Services, the State Entity may, at its option and at Contractor, Sub-Recipient or Loan Recipient's expense: (i) return the Services for a full refund; (ii) require Contractor, Sub-Recipient or Loan Recipient to promptly correct or re-perform the nonconforming Services subject to the terms of this Contract; or (iii) obtain replacement Services from another source, subject to Contractor, Sub-Recipient or Loan Recipient being responsible for any cover costs.

33. TIME OF THE ESSENCE: The Services shall be completed by any applicable deadline stated in this Contract. For all Services, time is of the essence. Contractor, Sub-Recipient or Loan Recipient shall be liable for all reasonable damages to the State Entity, the State, and anyone for whom the State may be liable as a result of Contractor, Sub-Recipient or Loan Recipient's failure to timely perform the Services required under this Contract.

34. CHANGES IN SCOPE: Any changes in the scope of the Services to be performed under this Contract shall be in the form of a written amendment to this Contract, mutually agreed to and signed by both parties, specifying any such changes, fee adjustment in time of performance, or any other significant factors arising from the changes in the scope of Services.

35. PERFORMANCE EVALUATION: The State Entity may conduct a performance evaluation of Contractor, Sub-Recipient or Loan Recipient's Services, including Contractor, Sub-Recipient or Loan Recipient's Subcontractors. Results of any evaluation may be made available to Contractor, Sub-Recipient or Loan Recipient upon request.

36. STANDARD OF CARE: The Services of Contractor, Sub-Recipient or Loan Recipient and its Subcontractors shall be performed in accordance with the standard of care exercised by licensed members of their respective professions having substantial experience providing similar services which similarities include the type, magnitude, and complexity of the Services that are the subject of this Contract. Contractor, Sub-Recipient or Loan Recipient shall be liable to the State Entity and State for claims, liabilities, additional burdens, penalties, damages, or third party claims (e.g. another Contractor, Sub-Recipient or Loan Recipient's claim against the State), to the extent caused by wrongful acts, errors, or omissions that do not meet this standard of care.

37. REVIEWS: The State Entity reserves the right to perform plan checks, plan reviews, other reviews, and /or comment upon the Services of Contractor. Such reviews do not waive the requirement of Contractor, Sub-Recipient or Loan Recipient to meet all of the terms and conditions of this Contract.

38. CONFIDENTIALITY: If Confidential Information is disclosed to Contractor, Sub-Recipient or Loan Recipient, Contractor, Sub-Recipient or Loan Recipient shall: (i) advise its agents, officers, employees, partners, and Subcontractors of the obligations set forth in this Contract; (ii) keep all Confidential Information strictly confidential; and (iii) not disclose any Confidential Information received by it to any third parties. Contractor, Sub-Recipient or Loan Recipient will promptly notify the State Entity of any potential or actual misuse or misappropriation of Confidential Information.

Contractor, Sub-Recipient or Loan Recipient shall be responsible for any breach of this duty of confidentiality, including any required remedies and/or notifications under applicable law. Contractor, Sub-Recipient or Loan Recipient shall indemnify, hold harmless, and defend the State Entity and the State, including anyone for whom the State Entity or the State is liable, from claims related to a breach of this duty of confidentiality, including any notification requirements, by Contractor, Sub-Recipient or Loan Recipient or anyone for whom the Contractor, Sub-Recipient or Loan Recipient is liable.

Upon termination or expiration of this Contract, Contractor, Sub-Recipient or Loan Recipient will return all copies of Confidential Information to the State Entity or certify, in writing, that the Confidential Information has been destroyed. This duty of confidentiality shall be ongoing and survive the termination or expiration of this Contract.

39. PUBLICITY: Contractor, Sub-Recipient or Loan Recipient shall submit to the State Entity for written approval all advertising and publicity matters relating to this Contract. It is within the State Entity's sole discretion whether to provide approval, which must be done in writing.

40. CONTRACT INFORMATION: Contractor, Sub-Recipient or Loan Recipient shall provide information regarding job vacancies to the State Department of Workforce Services, which may be posted on the Department of Workforce Services website. Posted information shall include the name and contract information for job vacancies. This information shall be provided to the State Department of Workforce Services for the duration of this Contract. This requirement does not preclude Contractor, Sub-Recipient or Loan Recipient from advertising job openings in other forums throughout the State.

41. OWNERSHIP IN INTELLECTUAL PROPERTY: The State Entity and Contractor, Sub-Recipient or Loan Recipient agree that each has no right, title, interest, proprietary or otherwise in the intellectual property owned or licensed by the other, unless otherwise agreed upon by the parties in writing. All deliverables, documents, records, programs, data, articles, memoranda, and other materials not developed or licensed by Contractor, Sub-Recipient or Loan Recipient prior to the execution of this Contract, but specifically created or manufactured under this contract shall be considered work made for hire, and Contractor, Sub-Recipient or Loan Recipient shall transfer any ownership claim to the State Entity.

42. WAIVER: A waiver of any right, power or privilege shall not be construed as a waiver of an subsequent right, power, or privilege.

43. ATTORNEY'S FEES: In the event of any judicial action to enforce rights under this Contract, the prevailing party shall be entitled its costs and expenses, including reasonable attorney's fees incurred in connection with such action.

44. DISPUTE RESOLUTION: Prior to either party filing a judicial proceeding, the parties agree to participate in the mediation of any dispute. The State Entity, after consultation with the Contractor, Sub-Recipient or Loan Recipient, may appoint an expert or panel of experts to assist in the resolution of a dispute. If the State Entity appoints such an expert or panel, the State Entity and Contractor, Sub-Recipient or Loan Recipient agree to cooperate in good faith in providing information and documents to the expert or panel in an effort to resolve the dispute.

45. SURVIVAL OF TERMS: Termination or expiration of this Contract shall not extinguish or prejudice the State Entity's right to enforce this Contract with respect to any default or defect in the Services that has not been cured.

46. SEVERABILITY: The invalidity or unenforceability of any provision, term or condition of this Contract shall not affect the validity or enforceability of any other provision, term, or condition of this Contract, which shall remain in full force and effect.

47. ENTIRE AGREEMENT: This Contract constitutes the entire agreement between the parties and supersedes any and all other prior and contemporaneous agreements and understandings between the parties, whether oral or written.

ATTACHMENT B - PROGRAM GENERAL CONDITIONS
PERMANENT COMMUNITY IMPACT FUND BOARD
(Revised May 15, 2012)

1. Permanent Community Impact Fund Board Findings of Fact:
The CONTRACTOR is an applicant under the Permanent Community Impact Fund provisions contained in Section 35A-8 et seq UCA. Pursuant to the provisions of that Statute, and the powers and functions of the Permanent Community Impact Fund Board (the BOARD) hereby finds and determines, based upon the formal application of the CONTRACTOR, the evidence provided by the CONTRACTOR to the BOARD and its staff, and information developed by the BOARD in its own investigations and at the hearings on the application of the CONTRACTOR, the following, that:
 1. Pursuant to Section 35A-8-305 et seq.UCA, the CONTRACTOR:
 1. Is a State agency or subdivision;
 2. Which is or may be socially or economically impacted, directly or indirectly, by mineral resource development;
 3. That the monies sought by the CONTRACTOR are for planning, construction and maintenance of public facilities, or the provision of public services;
 4. That the CONTRACTOR meets and complies with the criteria set by Statute and by the BOARD for the providing of money to applicants;
 5. That the CONTRACTOR has been prioritized in comparison with other applicants, and the order of payment has been determined, and this contract is appropriate.
 2. Pursuant to Section 35A-8-307 et seq.UCA, the BOARD has reviewed the usages of the funds allocated to the CONTRACTOR, and that the usages are within the proper purposes of Section 35A-8 et seq., and the Federal Mineral Leasing Act of 1920, 30 U.S.C. Section 191; and Pursuant to the Rules of the Permanent Community Impact Fund Board, Rule R990-8, the allocation of money to the CONTRACTOR is within the proper prioritization of the BOARD and meets all the criteria and requirements of the rules and statutes involved.
2. Payment by the STATE is subject to availability of state funds.
3. The CONTRACTOR shall notify the STATE in writing of any proposed modification to the Project which alters ATTACHEMENT D - SCOPE OF WORK and/or amount to ten percent (10.0%) or more of the total CONTRACT AMOUNT. If such notification is not received, the STATE reserves the right to disallow the cost of the proposed modification and to request return of its funds. This in no way should be construed so as to allow any surplus funds to be expended on items not related to the specifically approved project.
4. The CONTRACTOR shall comply with all laws which normally govern its affairs in regard to contracts, fiscal procedure, and fair bidding procedures.
5. If work on the project has not commenced within 90 days after having received final approval, then this contract may be canceled by written notice from the STATE to the CONTRACTOR. No work completed after receipt of the notice shall be reimbursable. The project must be completed within the specified contract period.
6. In order for the STATE to comply with its duties under Section 9-8-404 et seq., CONTRACTOR agrees that if any district, site, building, structure, or specimen that is included in or eligible for inclusion in the National Register of Historic Places or the State Register ("cultural/paleontological resources") are discovered during the project the CONTRACTOR shall stop all construction on the project which may affect or impact the cultural/paleontological resources, notify the STATE of the discovery, and not proceed without further approval of the STATE, which approval may only occur after the STATE takes into account the effects of the project on cultural/paleontological resources, which may require or result in modification of the project. The CONTRACTOR further agrees that it shall notify the Utah Division of State History of the discovery and comply with all of the requirements of the Utah Division of State History, including obtaining a permit, if necessary, prior to proceeding any further with those portions of the project which may affect or impact the cultural/paleontological resource.

ATTACHMENT C – BUDGET

Vernal City

COST SHARING

Total Project Cost	\$ <u>1,866,376.00</u>
Project Revenues	
Applicant Cash	\$ <u>0.00</u>
Local Cash	\$ <u>0.00</u>
State Grant	\$ <u>0.00</u>
PCIFB Loan	\$ <u>933,000.00</u>
PCIFB Grant	\$ <u>933,376.00</u>
Total Revenues	\$ <u>1,866,376.00</u>

BUDGET

1. Construction	1. \$ 1,093,000.00
2. Construction Contingency	2. 109,300.00
3. Engineer/Architect	3. 144,276.00
4. Special Studies	4. 0.00
5. Land/Rights-of-Way/Water Rights	5. 0.00
6. Equipment	6. 519,800.00
7. Administration	7. <u>0.00</u>
TOTAL	\$ 1,866,376.00

ATTACHMENT D - SCOPE OF WORK

Water & Sewer Utility Improvements

The project consists of water and sewer components. The water component consists of purchasing a radio reader meter reading program for 3,200 water connections. The sewer component will reline 14,500 linear feet of 6 inch and 8 inch sewer line, 1,200 linear feet of 10 inch sewer line, and 900 linear feet of 15 inch sewer line. The project will add 4 manholes and repair disturbed asphalt.

PROFESSIONAL SERVICES AGREEMENT

2060 East 2100 South, Salt Lake City, Utah 84109
PH 801-359-5565 FX 801-359-4272

VERNAL CITY ("CLIENT"), HEREBY AUTHORIZES CRS CONSULTING ENGINEERS INCORPORATED DBA CALDWELL RICHARDS SORENSEN ("ENGINEER"), A UTAH CORPORATION, TO PROVIDE THE SERVICES DESCRIBED BELOW SUBJECT TO THE TERMS AND CONDITIONS SET FORTH BELOW.

CLIENT is a(n):		Individual <input type="checkbox"/>	Corporation <input checked="" type="checkbox"/>	Partnership <input type="checkbox"/>	Sole Proprietorship <input type="checkbox"/>
A. CLIENT INFORMATION:			B. PROJECT DESCRIPTION:		
Client Name: VERNAL CITY			Project Name and Location: VERNAL CITY 2016 SEWER CLEANING PROJECT		
Representative: KEN BASSETT			Estimated Begin/End Dates: MARCH 1, 2016 / AUGUST 1, 2016		
Address: 374 EAST MAIN STREET VERNAL, UT 84078			CRS Project No.: 16020V		
Phone: 435-781-7110					

C. ENGINEER'S SERVICES:

ENGINEER shall provide the services set forth below or within the Scope of Services attached hereto and by this reference made a part hereof. Services not expressly set forth below or within attached Scope of Services or otherwise incidental to or implicit in those services, as determined solely by ENGINEER, are not a service of ENGINEER.

DESCRIPTION OF SERVICES:

DESIGN AND CONSTRUCTION ENGINEERING SERVICES TO SUPPORT VERNAL CITY'S SEWER CLEANING PROJECT INCLUDING PREPARATION OF PLANS & SPECIFICATION FOR BIDDING; ASSISTING THE OWNER IN BIDDING AND SELECTION OF CONTRACTOR; CONSTRUCTION OVERSIGHT AND MANAGEMENT.

D. COMPENSATION:

ENGINEER shall be compensated as described in this paragraph D and within the Scope of Services attached hereto and by this reference made a part hereof, and Article 1 herein. CLIENT shall pay a retainer fee of \$ n/a prior to commencement of ENGINEER'S services. Said fee shall be applied to the final invoice for services provided hereunder. In the event there is conflict between the compensation provision of this paragraph D and the Scope of Services, this paragraph D and Article 1 herein shall control.

TIME AND MATERIALS PROJECT ESTIMATED AT EIGHT THOUSAND (\$8,000.00) DOLLARS. SERVICES WILL BE BILLED ACCORDING TO THE STANDARD FEE SCHEDULE ATTACHED HERETO AND MARKED EXHIBIT A.

HAVING READ, UNDERSTOOD AND AGREED TO THE FOREGOING, AND THE TERMS AND CONDITIONS SET FORTH ON THE REVERSE SIDE HEREOF, CLIENT AND ENGINEER, BY AND THROUGH THEIR AUTHORIZED REPRESENTATIVES, HAVE SUBSCRIBED THEIR NAMES HERETO EFFECTIVE THE LAST DATE APPEARING BELOW.

VERNAL CITY

Authorized Signature

By (print):

Title (print):

Date:

CRS CONSULTING ENGINEERS INCORPORATED


Authorized Signature

By (print): Daren Anderson

Title (print): Vice President

Date: February 12, 2016

ARTICLE 1. COMPENSATION

- 1.1 Reimbursable Expenses. Reimbursable expenses include all expenditures made by or on behalf of ENGINEER in performing its services hereunder and in the interest of the project.
- 1.2 Progress Payments. CLIENT will be invoiced at the end of the first calendar month following the effective date of this Agreement and at the end of each calendar month thereafter. Invoices shall reflect billing for work performed by ENGINEER during the month invoiced. Payment on an invoice is due upon receipt of the invoice by CLIENT. In the event of a dispute regarding an invoice, CLIENT shall pay all undisputed amounts as per this Article and disputed amounts shall be reserved for resolution.
- 1.3 Late Payment. ENGINEER may assess a carrying charge of 1.5 percent per month on progress payments not made within thirty (30) days of the date of invoice, which charge CLIENT warrants will be paid on demand. ENGINEER may, in its sole discretion and without notice, suspend or terminate its services under this Agreement should CLIENT not pay the amount invoiced within forty-five (45) days of the date of invoice. ENGINEER further reserves the right to withhold from CLIENT any instruments of ENGINEER's service, or copies thereof, developed for CLIENT under this Agreement pending payment on CLIENT's outstanding indebtedness.
- 1.4 Estimates of Compensation. Estimates of ENGINEER'S compensation or fee where surveying services are to be provided only represent ENGINEER's opinion given the then existing information and circumstances and are not binding upon ENGINEER. Actual compensation or fee for surveying services may vary substantially depending upon conditions beyond ENGINEER's knowledge or control, including but not limited to adverse weather, lack of adequate monumentation or control, and/or site conditions.

ARTICLE 2. SPECIAL TERMS AND CONDITIONS

- 2.1 Additional Services. Services not expressly or implicitly included with those herein specified, as determined by ENGINEER, are not covered by this Agreement. Such services may be provided only upon the execution of an amendment in compliance with this Agreement.
- 2.2 Construction Estimates. Estimates of construction cost, material quantities and construction time estimates provided by ENGINEER under this Agreement represent its opinion and are subject to change and are contingent upon factors over which ENGINEER has no control. ENGINEER makes no warranty, express or implied, as to the accuracy of such estimates.
- 2.3 Construction Services. Except as may be expressly provided by this Agreement, CLIENT recognizes that ENGINEER's compensation for any services rendered during construction contemplates one (1) construction contract being let and construction completion within the time period set forth herein. Should the period for construction be exceeded through no fault of ENGINEER or more than one (1) construction contract be let, ENGINEER's compensation shall be increased for services rendered in relation to such additional contract(s) or beyond said time period. ENGINEER is not responsible for the means, methods or sequences of construction nor for the safety of workers or others at the construction site. Construction review services are neither exhaustive nor continuous and consist of periodic visits to the project site intended only to determine whether construction is in general conformance with construction contract documents. ENGINEER is not responsible for the performance or non-performance of the construction contractor or its subcontractor(s).
- 2.4 Termination. This Agreement may be terminated by either party upon written notice should the other party fail substantially to perform in accordance with this Agreement through no fault of the party initiating the termination. This Agreement may be terminated by CLIENT upon seven (7) days written notice to ENGINEER in the event that the Project is permanently abandoned. If this Agreement is terminated through no fault of the ENGINEER, CLIENT shall pay ENGINEER for services performed and Reimbursable Expenses incurred in accordance with this Agreement and, upon request, a Termination Adjustment equaling fifteen percent (15%) of the estimated fee remaining to be earned at the time of termination to account for ENGINEER's rescheduling adjustments, reassignment of personnel and related costs incurred due to termination. If this Agreement is terminated by CLIENT for cause, CLIENT shall pay ENGINEER for services performed and Reimbursable Expenses incurred in accordance with this Agreement.
- 2.5 Representatives. ENGINEER and CLIENT shall designate in writing a person authorized to act as their Representative. Said Representative shall receive and examine documents submitted by the other party and shall interpret and define policies and render decisions and authorizations promptly to prevent unreasonable delay in the progress of the Project.
- 2.6 Prohibition Against Hiring. During the term of this contract ENGINEER and CLIENT shall be prohibited from hiring or otherwise retaining, in any capacity, each other's personnel. This applies to employees and others under contract at any level.
- 2.7 Limitation of Liability. CLIENT agrees to limit the liability of ENGINEER and ENGINEER's consultants, employees and agents to CLIENT and to all contractors, subcontractors and to all other persons which may arise from or be due directly or indirectly to any strict liability, breach of contract or other duty and/or any professional or other negligent act, error and/or omission of ENGINEER and/or ENGINEER's consultants, employees or agents in connection with the performance of services for this Project, such that the total aggregate liability of ENGINEER and ENGINEER's consultants, employees and agents to those named shall not exceed the total contract value or One Hundred Thousand Dollars (\$100,000.00), whichever is the lesser total amount. For the purposes of computing the total aggregate liability to be limited hereunder, the total aggregate liability shall include the attorneys' fees and costs of litigation reasonably incurred by ENGINEER and ENGINEER's consultants, employees and agents in the defense of such claims. Said limit of liability may be increased prior to the execution of this Agreement up to ENGINEER's then effective professional liability insurance limits upon CLIENT's

written request and payment of an additional fee as agreed upon by both parties.

- 2.8 Ownership of Documents. All plans, specifications, tracings, notes, data and other documents, including electronic media/disks, are instruments of professional service and ENGINEER shall retain the ownership and control thereof. Such instruments are prepared and intended only for use as an integrated set on the particular project and for the limited purposes specified. Modification or use on other projects of such instruments of service or copies thereof, without ENGINEER's prior express written consent shall be CLIENT's sole risk. CLIENT shall hold harmless, indemnify and defend ENGINEER and ENGINEER's consultants, employees and agents from and against any and all claims and/or liability arising out of any such non-permissive modification or use. Final project deliverable(s) are contingent upon receipt of full payment.
- 2.9 CLIENT Information. ENGINEER and ENGINEER's consultants shall have the right to rely on any and all information supplied to ENGINEER or ENGINEER's consultants by or through CLIENT, and shall not have a duty to verify the accuracy of such information unless otherwise expressly agreed hereunder. CLIENT shall disclose information or knowledge of hazardous materials on the project site. CLIENT shall hold harmless, indemnify and defend ENGINEER and ENGINEER's consultants, employees and agents from and against all claims and/or liability related, directly or indirectly, to ENGINEER's or ENGINEER's consultant's use of or reliance upon any such information.
- 2.10 Record Drawings. Any Record Drawings called for herein will be developed based upon bid specifications and plans as modified by actual construction. Information related to such modifications may be provided by others, including the Construction Contractor, who is to document such modifications as part of its performance. ENGINEER may rely upon such information and is not responsible for the accuracy of such information as it affects the Record Drawings. Record Drawings serve to document substantial alterations between bid plans and actual construction and do not document minor alterations or differences.
- 2.11 Site Access. CLIENT shall secure rights of access for ENGINEER to all property reasonably necessary to the performance of ENGINEER's services.

ARTICLE 3. GENERAL TERMS AND CONDITIONS

- 3.1 Applicable Law. This Agreement shall be interpreted and enforced in accordance with the laws of the State of Utah.
- 3.2 Assignment; Subcontracting. Neither CLIENT nor ENGINEER shall assign its interest in this Agreement without the written consent of the other, except that ENGINEER may subcontract any portion of its services without such consent. CLIENT is primarily responsible for the compensation of any person(s) providing such subcontracted services and such person(s) shall have a right of action directly against CLIENT for CLIENT'S nonpayment. This Agreement shall be binding upon and inure to the benefit of the successors, assigns or other transferees of the signatories hereto. Except as expressly provided in this paragraph, no rights or benefits are conferred to third parties by this Agreement.
- 3.3 Force Majeure. Any delay or default in the performance of any obligation by either party under this Agreement resulting from any cause(s) (excluding financial inability) beyond said party's reasonable control shall not be deemed a breach of this Agreement. The occurrence of any such event shall suspend the obligation of said party as long as performance is delayed or prevented thereby.
- 3.4 Attorney's Fees. In the event of CLIENT's default, CLIENT shall pay all costs incurred by ENGINEER as a result of said default, including reasonable attorney's fees, whether incurred through initiation of legal proceedings or otherwise.
- 3.5 Severability; Waiver. In the event any term, condition or other provision(s) of any portion thereof of this Agreement is held to be unenforceable, the remaining provisions or portions shall remain valid and binding upon the parties. One or more waiver of any term, condition or other provision of this Agreement by either party shall not be construed as a waiver of a subsequent breach of the same or any other provision.
- 3.6 Amendments; Merger. This Agreement may be amended only by written instrument expressly referring hereto and duly signed by the parties. This Agreement constitutes the entire and integrated Agreement between the parties hereto and supersedes all prior negotiations, representations and/or agreements, written or oral.

ARTICLE 4. CONFIDENTIALITY

- 4.1 Confidential Information. Confidential Information means any information disclosed by either party to the other party, either directly or indirectly, in writing, orally, or by inspection of tangible objects (including, without limitation, documents, samples, equipment, drawings, etc) that is designated as "Trade Secret", "Confidential", "Proprietary" or some similar designation, or is of such a nature or has been disclosed in such a manner that it should be obvious to the receiving party that such is claimed confidential. Confidential Information includes without limitation a disclosing party's trade secrets, know-how, intellectual property, and proprietary information.
- 4.2 Non-Use and Non-Disclosure. Each party agrees not to use any Confidential Information of the other party for any purpose other than intended as set forth in the Scope of Services defined herein. Each party agrees not to disclose any Confidential Information of the other party to employees or third parties except those who are required to have the information in order to complete the services as defined in the Scope of Services.



EXHIBIT A
2016 UINTAH BASIN STANDARD FEE SCHEDULE

CLASSIFICATION

HOURLY RATE

Engineering:

<u>Title:</u>	<u>Billing Rate:</u>
Principal	\$ 140.00
Senior Project Manager	\$ 120.00
Project Manager	\$ 110.00
Project Engineer	\$ 90.00
Staff Engineer	\$ 80.00
Engineering Intern	\$ 50.00

Technicians:

<u>Title:</u>	<u>Billing Rate:</u>
Sr. Design Technician	\$ 83.00
Designer/Drafter	\$ 70.00
Senior Inspector	\$ 100.00
Inspector	\$ 65.00
Intern	\$ 50.00

Survey:

<u>Title:</u>	<u>Billing Rate:</u>
PLS	\$ 100.00
Survey Coordinator	\$ 83.00
Survey Drafter II	\$ 70.00
Survey Drafter I	\$ 55.00
3 Man Crew	\$ 160.00
2 Man Crew	\$ 130.00
1 Man Crew	\$ 90.00

Testing:

Soils Testing (Nuclear Density)	\$20.00/test + Time
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Clerical:

<u>Title:</u>	<u>Billing Rate:</u>
Executive Secretary:	\$ 75.00
Clerical:	\$ 55.00

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